

JOHN HANCOCK PREMIUM DIVIDEND FUND
Form N-CSR
December 27, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05908

John Hancock Premium Dividend Fund
(Exact name of registrant as specified in charter)

601 Congress Street, Boston, Massachusetts 02210
(Address of principal executive offices) (Zip code)

Salvatore Schiavone
Treasurer

601 Congress Street

Boston, Massachusetts 02210
(Name and address of agent for service)

Registrant's telephone number, including area code: 617-663-4497

Date of fiscal year end: October 31

Date of reporting period: October 31, 2017

ITEM 1. REPORTS TO STOCKHOLDERS.

John Hancock

Premium Dividend Fund

Ticker: PDT

Annual report 10/31/17

Managed distribution plan

The fund has adopted a managed distribution plan (Plan). Under the Plan, the fund makes monthly distributions of an amount equal to \$0.0975 per share, which will be paid monthly until further notice. The fund may make additional distributions (i) for purposes of not incurring federal income tax on investment company taxable income and net capital gain, if any, not included in such regular distributions and (ii) for purposes of not incurring federal excise tax on ordinary income and capital gain net income, if any, not included in such regular monthly distributions.

The Plan provides that the Board of Trustees of the fund may amend the terms of the Plan or terminate the Plan at any time without prior notice to the fund's shareholders. The Plan is subject to periodic review by the fund's Board of Trustees.

You should not draw any conclusions about the fund's investment performance from the amount of the fund's distributions or from the terms of the Plan. The fund's total return at NAV is presented in the Financial highlights.

With each distribution that does not consist solely of net investment income, the fund will issue a notice to shareholders and an accompanying press release that will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes. The fund may at times distribute more than its net investment income and net realized capital gains; therefore, a portion of your distribution may result in a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the fund is paid back to you. A return of capital does not necessarily reflect the fund's investment performance and should not be confused with "yield" or "income."

A message to shareholders

Dear shareholder,

Wherever stock investors look today, the markets seem to exhibit undiminished strength, as evidenced by the fact that the Dow Jones Industrial Average, the S&P 500 Index, and the NASDAQ Composite Index reached and then surpassed all-time highs several times during the period. Economic and corporate data has continued to underpin investor optimism. Corporate earnings have generally been solid, with a weaker dollar helping to boost results for U.S.-based multinationals.

While stock markets continue their rise, investors have reason to be vigilant. U.S. stocks haven't experienced a drop of 10% in more than 21 months, and 16 months have passed since the last 5% pullback. This degree of calm in a rising market is rare, and history suggests stormier market conditions could be brewing. As the bull market advances, many stocks are moving deeper into overvalued territory, suggesting that market leaders could be vulnerable to any setbacks.

Given the risks of overvaluation, investors would do well to consider their options for diversification. Maintaining a diversified portfolio of stocks, bonds, and alternatives, alongside a disciplined investment program, is one approach that has stood the test of time. As always, your best resource to prepare for any market condition is your financial advisor, who can help ensure your portfolio is sufficiently diversified to meet your long-term objectives and to withstand the inevitable disappointments that can interrupt any market rise.

On behalf of everyone at John Hancock Investments, I'd like to take this opportunity to welcome new shareholders and to thank existing shareholders for the continued trust you've placed in us.

Sincerely,

Andrew G. Arnott
President and Chief Executive Officer
John Hancock Investments

This commentary reflects the CEO's views, which are subject to change at any time. Investing involves risks, including the potential loss of principal. Diversification does not guarantee a profit or eliminate the risk of a loss. It is not possible to invest directly into an index. For more up-to-date information, please visit our website at jhinvestments.com.

John Hancock
Premium Dividend Fund

Table of contents

| | | |
|--|--|---|
| <u>2</u> | Your fund at a glance | |
| <u>4</u> | Discussion of fund performance | |
| <u>8</u> | Fund's investments | |
| <u>14</u> | Financial statements | |
| <u>18</u> | Financial highlights | |
| <u>19</u> | Notes to financial statements | |
| <u>27</u> | Auditor's report | |
| <u>28</u> | Tax information | |
| <u>29</u> | Additional information | |
| <u>32</u> | Continuation of investment advisory and subadvisory agreements | |
| <u>38</u> | Trustees and Officers | |
| <u>42</u> | More information | |
| ANNUAL REPORT JOHN HANCOCK PREMIUM DIVIDEND FUND | | 1 |

Your fund at a glance

INVESTMENT OBJECTIVE

The fund seeks to provide high current income, consistent with modest growth of capital.

AVERAGE ANNUAL TOTAL RETURNS AS OF 10/31/17 (%)

The index shown is a blended index that is 70% Bank of America Merrill Lynch Preferred Stock DRD Eligible Index and 30% S&P 500 Utilities Index.

The Bank of America Merrill Lynch Preferred Stock DRD Eligible Index consists of investment-grade fixed-rate U.S. dollar-denominated preferred securities and fixed-to-floating-rate securities. The index includes securities having a minimum remaining term of at least one year, Dividend Received Deduction (DRD) eligible preferred stock and senior debt.

The S&P 500 Utilities Index is a capitalization-weighted index that consists of companies in the S&P 500 Index that are primarily involved in water, electrical power, and natural gas distribution industries.

It is not possible to invest directly in an index. Index figures do not reflect expenses or sales charges, which would result in lower returns.

The performance data contained within this material represents past performance, which does not guarantee future results.

Investment returns and principal value will fluctuate and a shareholder may sustain losses. Further, the fund's performance at net asset value (NAV) is different from the fund's performance at closing market price because the closing market price is subject to the dynamics of secondary market trading. Market risk may be augmented when shares are purchased at a premium to NAV or sold at a discount to NAV. Current month-end performance may be higher or lower than the performance cited. The fund's most recent performance can be found at jhinvestment.com or by calling 800-852-0218.

PERFORMANCE HIGHLIGHTS OVER THE LAST TWELVE MONTHS

Income-producing investments posted solid gains

Results were powered by a relatively favorable interest-rate backdrop, improved issuer fundamentals, and strong investor demand.

Utility and energy-related holdings were some of the fund's best performers

Common stock selections in the utilities and energy sectors generated strong gains.

Certain healthcare and energy companies detracted

Earnings misses and dividend cuts caused several holdings to underperform.

PORTFOLIO COMPOSITION AS OF 10/31/17 (%)

A note about risks

As is the case with all closed-end funds, shares of this fund may trade at a discount or a premium to the fund's net asset value (NAV). An investment in the fund is subject to investment and market risks, including the possible loss of the entire principal invested. There is no guarantee prior distribution levels will be maintained, and distributions may include a substantial return of capital. Fixed-income investments are subject to interest-rate and credit risk; their value will normally decline as interest rates rise or if a creditor, grantor, or counterparty is unable or unwilling to make principal, interest, or settlement payments. Investments in higher-yielding, lower-rated securities are subject to a higher risk of default. An issuer of securities held by the fund may default, have its credit rating downgraded, or otherwise perform poorly, which may affect fund performance. Liquidity the extent to which a security may be sold or a derivative position closed without negatively affecting its market value may be impaired by reduced trading volume, heightened volatility, rising interest rates, and other market conditions. The fund's use of leverage creates additional risks, including greater volatility of the fund's NAV, market price, and returns. There is no assurance that the fund's leverage strategy will be successful. The fund will normally invest at least 25% of its managed assets in securities of companies in the utilities industry. Such an investment focus makes the fund more susceptible to factors adversely affecting the utilities industry than a more broadly diversified fund. Sector investing is subject to greater risks than the market as a whole. Derivatives transactions, such as hedging and other strategic transactions, may increase a fund's volatility and could produce disproportionate losses, potentially more than the fund's principal investment.

Discussion of fund performance

An interview with Portfolio Manager Joseph H. Bozoyan, CFA, John Hancock Asset Management a division of Manulife Asset Management (US) LLC

Joseph H. Bozoyan, CFA

Portfolio Manager

John Hancock Asset Management

What was the market environment like for income-producing securities during the 12 months ended October 31, 2017?

Income-producing investments including the preferred securities and utility common stocks that are the main areas of emphasis for the fund performed well on an absolute basis, benefiting from a favorable interest-rate backdrop, improved issuer fundamentals, and strong demand for such securities from income-oriented investors. The period kicked off on a rather weak note, with income-producing investments performing poorly in the final months of 2016. The election of President Donald Trump and strong third-quarter U.S. economic data ratcheted expectations up for higher inflation and higher interest rates and drove the prices of income-producing asset classes lower. Year-end tax-loss selling which investors used to offset investment losses against gains put additional pressure on income producers during that span.

But preferred securities and, to a greater extent, utility common stocks, have fared significantly better so far in 2017. Interest-rate and inflation worries subsided as market participants questioned how easily President Trump would be able to push his economic stimulus and tax cuts through Congress. And even though the U.S. Federal Reserve raised short-term policy rates on two occasions in the first nine months of this year, most U.S. Treasury yields remained low and rangebound. That provided a neutral rate backdrop for income-producing asset classes. Preferreds and utility commons also were bolstered by favorable supply-and-demand dynamics. There was scant issuance of new securities in each category, reducing the already tight supply of them. Utility commons generally posted the biggest gains, powered in part by the stability and visibility of their earnings and cash flow, which allowed them to pay out consistent dividends and added to their attractiveness to income-oriented investors.

What's your view on income-producing investments?

By period end, we felt that income-producing investments given their strong run-up so far in 2017 were approaching full valuation. With that in mind, we don't foresee most income producers gaining much ground over the short term, although we believe they'll be able to hang on to their 2017 gains. Over the longer term, however, we continue to see favorable conditions. We

"Utility commons generally posted the biggest gains, powered in part by the stability and visibility of their earnings and cash flow, which allowed them to pay out consistent dividends..."

don't expect a significant increase in new issue supply of income-producing securities, given our view that corporations will remain reluctant to issue new such securities, but we do believe demand for income-generating assets should remain solid, as we expect the search for yield to continue as long as U.S. government bond yields remain low. Additionally, the aging global population should foster ongoing demand for assets that provide a steady and predictable income stream as increasing numbers of older investors transfer larger portions of their portfolios into income-producing investments.

We are particularly optimistic about the longer-term performance of utility common stocks. Companies continue to upgrade and strengthen their infrastructure and are investing in renewable energy, such as solar and wind. These developments, in our view, position utility companies for accelerated earnings and dividend growth over the next three to five years. Furthermore, utility common stocks look attractively valued when compared to higher-risk sectors within the S&P 500 Index.

What holdings contributed to performance?

The vast majority of the fund's income-producing investments posted gains for the period, but some of the utility common stock holdings were particular standouts. Centerpoint Energy, Inc. was one of the fund's best performers, bolstered by investor enthusiasm for the company's strong financial

SECTOR COMPOSITION AS OF 10/31/17 (%)

"The vast majority of the fund's income-producing investments posted gains for the period, but some of the utility common stock holdings were particular standouts."

results and good earnings outlook, as well as its decision to increase dividend payments to shareholders.

Energy-related common stocks, including integrated companies BP PLC and Royal Dutch Shell PLC, as well as electric utility firm Avangrid, Inc., generated strong gains as energy prices rallied amid rising energy demand, falling inventories, and better OPEC compliance in maintaining production cuts.

Among our preferred securities holdings, convertible security holdings in Great Plains Energy, Inc. performed well, fueled by news that the company had agreed to a merger with Westar Energy, Inc. As part of its preparation for the merger, Great Plains called (redeemed) the fund's holdings in the company at an attractive premium to the purchase price, so it is no longer in the portfolio.

What holdings hurt the fund's performance?

Teva Pharmaceutical Industries, Ltd., the world's largest maker of generic drugs, suffered price declines. The company continued to struggle amid increased political scrutiny of drug prices, as well as an earnings miss and dividend cut. Exposure to Kinder Morgan, Inc. detracted from results as well. The common stock of this pipeline company came under pressure, in part because Kinder Morgan's dividend yield remained low after being cut in 2016 when energy prices declined sharply, and investors became increasingly skeptical the company would raise dividends again.

TOP 10 ISSUERS AS OF 10/31/17 (%)

| | |
|----------------------------------|-------------|
| Bank of America Corp. | 4.4 |
| Dominion Energy, Inc. | 4.4 |
| JPMorgan Chase & Co. | 3.7 |
| Kinder Morgan, Inc. | 3.5 |
| Morgan Stanley | 3.3 |
| PPL Capital Funding, Inc. | 3.2 |
| Alliant Energy Corp. | 3.0 |
| Interstate Power & Light Company | 3.0 |
| DTE Energy Company | 2.9 |
| ONEOK, Inc. | 2.9 |
| TOTAL | 34.3 |

As a percentage of total investments.

Cash and cash equivalents are not included.

Were there any significant changes to the portfolio?

Low interest rates continued to support attractive conditions for companies to improve their balance sheets, redeeming older, more expensive preferred securities in the process. In the second half, there were a handful of other calls in addition to Great Plains. We were able to replace these with comparably yielding, newly issued securities, most notably the convertible preferreds of Crown Castle International Corp. and the common stock of Macquarrie Infrastructure Corp.

Can you tell us about a recent management change?

Effective August 31, 2017, Gregory Phelps retired. We wish him well.

MANAGED BY

Joseph H. Bozoyan, CFA

On the fund since 2015

Investing since 1993

Brad Lutz, CFA

On the fund since 2017

Investing since 1992

The views expressed in this report are exclusively those of Joseph H. Bozoyan, CFA, John Hancock Asset Management, and are subject to change. They are not meant as investment advice. Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 7

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Fund's investments
AS OF 10-31-17

| | Shares | Value |
|--|-----------|---------------|
| Preferred securities 90.0% (60.3% of Total investments) (Cost \$690,486,355) | | \$694,010,775 |
| Consumer staples 2.7% | | 20,631,000 |
| Food and staples retailing 2.7% | | |
| Ocean Spray Cranberries, Inc., 6.250% (A) | 224,250 | 20,631,000 |
| Energy 5.2% | | 40,344,800 |
| Oil, gas and consumable fuels 5.2% | | |
| Kinder Morgan, Inc., 9.750% (B)(C) | 1,073,000 | 40,344,800 |
| Financials 48.5% | | 374,198,337 |
| Banks 30.0% | | |
| Bank of America Corp., 6.204% (C) | 630,000 | 16,291,800 |
| Bank of America Corp., 6.375% (C) | 980,000 | 25,480,000 |
| Bank of America Corp., 6.625% (C) | 360,000 | 9,363,600 |
| Barclays Bank PLC, 8.125% | 360,000 | 9,604,800 |
| BB&T Corp., 5.200% (C) | 110,000 | 2,792,900 |
| BB&T Corp., 5.625% (C) | 770,000 | 19,665,800 |
| BB&T Corp. (Callable 11-1-17), 5.200% (C) | 205,000 | 5,172,150 |
| Citigroup, Inc., 8.125% (C) | 338,830 | 9,480,463 |
| Citigroup, Inc. (6.875% to 11-15-23, then 3 month LIBOR + 4.130%) (C) | 137,223 | 3,964,372 |
| Citigroup, Inc. (7.125% to 9-30-23, then 3 month LIBOR + 4.040%) (C) | 240,650 | 6,930,720 |
| JPMorgan Chase & Co., 5.450% (C) | 490,000 | 12,328,400 |
| JPMorgan Chase & Co., 5.500% (C) | 200,000 | 5,020,000 |
| JPMorgan Chase & Co., 6.100% (C) | 650,000 | 17,472,000 |
| JPMorgan Chase & Co., 6.300% (C) | 245,000 | 6,519,450 |
| JPMorgan Chase & Co., 6.700% (C) | 35,000 | 936,250 |
| Santander Holdings USA, Inc., 7.300% | 500,000 | 12,750,000 |
| The PNC Financial Services Group, Inc., 5.375% | 180,000 | 4,599,000 |
| The PNC Financial Services Group, Inc. (6.125% to 5-1-22, then 3 month LIBOR + 4.067%) | 311,600 | 8,793,352 |
| U.S. Bancorp, 5.150% (C) | 500,000 | 12,840,000 |
| U.S. Bancorp (6.500% to 1-15-22, then 3 month LIBOR + 4.468%) (C) | 351,000 | 10,101,780 |
| Wells Fargo & Company, 6.000% (C) | 205,000 | 5,358,700 |
| Wells Fargo & Company, 8.000% (C) | 1,017,000 | 25,953,840 |
| Capital markets 15.3% | | |
| Deutsche Bank Contingent Capital Trust II, 6.550% (C) | 241,725 | 6,222,002 |
| Deutsche Bank Contingent Capital Trust III, 7.600% (C) | 510,000 | 13,280,400 |
| Morgan Stanley, 6.625% (C) | 842,557 | 22,563,676 |
| Morgan Stanley (6.375% to 10-15-24, then 3 month LIBOR + 3.708%) (C) | 249,227 | 6,978,356 |

SEE NOTES TO FINANCIAL STATEMENTS ANNUAL REPORT | JOHN HANCOCK Premium Dividend Fund

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| | Shares | Value |
|---|-----------|-------------|
| Financials (continued) | | |
| Capital markets (continued) | | |
| Morgan Stanley (7.125% to 10-15-23, then 3 month LIBOR + 4.320%) (C) | 300,000 | \$8,685,000 |
| State Street Corp., 5.250% (C) | 1,015,000 | 25,557,700 |
| State Street Corp., 6.000% | 80,000 | 2,154,400 |
| State Street Corp. (5.900% to 3-15-24, then 3 month LIBOR + 3.108%) (C) | 25,000 | 692,750 |
| The Bank of New York Mellon Corp., 5.200% (C) | 442,000 | 11,156,080 |
| The Goldman Sachs Group, Inc., 5.950% (C) | 570,000 | 14,261,400 |
| The Goldman Sachs Group, Inc., 6.200% (C) | 250,000 | 6,375,000 |
| Consumer finance 1.4% | | |
| Capital One Financial Corp., 6.000% (C) | 136,000 | 3,453,040 |
| Capital One Financial Corp., 6.200% (C) | 80,000 | 2,161,600 |
| Capital One Financial Corp., 6.250% (C) | 87,047 | 2,324,155 |
| Capital One Financial Corp., 6.700% | 112,650 | 3,047,183 |
| Insurance 1.8% | | |
| Aegon NV, 6.500% | 75,000 | 1,953,750 |
| Prudential Financial, Inc., 5.750% (C) | 50,000 | 1,271,000 |
| Prudential PLC, 6.750% (C) | 175,000 | 4,637,500 |
| W.R. Berkley Corp., 5.625% | 240,351 | 6,003,968 |
| Health care 2.0% | | 14,978,924 |
| Pharmaceuticals 2.0% | | |
| Teva Pharmaceutical Industries, Ltd., 7.000% | 52,650 | 14,978,924 |
| Industrials 0.5% | | 3,426,300 |
| Machinery 0.5% | | |
| Stanley Black & Decker, Inc., 5.750% | 135,000 | 3,426,300 |
| Real estate 3.4% | | 26,544,111 |
| Equity real estate investment trusts 3.4% | | |
| Crown Castle International Corp., Series A, 6.875% (C) | 10,000 | 10,978,200 |
| Senior Housing Properties Trust, 5.625% | 554,690 | 13,972,641 |
| Ventas Realty LP, 5.450% | 63,000 | 1,593,270 |
| Telecommunication services 3.0% | | 23,248,000 |
| Diversified telecommunication services 0.6% | | |
| Qwest Corp., 6.125% | 107,500 | 2,728,350 |
| Verizon Communications, Inc., 5.900% (C) | 60,000 | 1,606,200 |
| Wireless telecommunication services 2.4% | | |
| Telephone & Data Systems, Inc., 5.875% | 100,000 | 2,528,000 |
| Telephone & Data Systems, Inc., 6.625% | 285,000 | 7,333,050 |
| Telephone & Data Systems, Inc., 6.875% | 170,000 | 4,357,100 |
| United States Cellular Corp., 6.950% | 185,000 | 4,695,300 |

9JOHN HANCOCK Premium Dividend Fund | ANNUAL REPORT SEE NOTES TO FINANCIAL STATEMENTS

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| | Shares | Value |
|--|-----------|---------------|
| Utilities 24.7% | | \$190,639,303 |
| Electric utilities 18.6% | | |
| Duke Energy Corp., 5.125% | 192,458 | 4,923,076 |
| HECO Capital Trust III, 6.500% | 181,000 | 4,850,800 |
| Interstate Power & Light Company, 5.100% | 1,340,000 | 34,330,800 |
| NextEra Energy Capital Holdings, Inc., 5.125% (B)(C) | 185,000 | 4,676,800 |
| NextEra Energy, Inc., 6.123% | 178,000 | 10,146,000 |
| NSTAR Electric Company, 4.250% | 13,347 | 1,281,312 |
| NSTAR Electric Company, 4.780% | 100,000 | 10,000,000 |
| PPL Capital Funding, Inc., 5.900% (C) | 1,450,320 | 36,968,657 |
| SCE Trust II, 5.100% | 1,208,500 | 31,167,215 |
| The Southern Company, 6.250% | 155,000 | 4,181,900 |
| Union Electric Company, 3.700% | 12,262 | 1,202,060 |
| Multi-utilities 6.1% | | |
| Dominion Energy, Inc., 6.750% | 593,000 | 31,031,690 |
| DTE Energy Company, 5.250% | 235,000 | 5,933,750 |
| Integrus Holding, Inc. (6.000% to 8-1-23, then 3 month LIBOR + 3.220%) | 352,044 | 9,945,243 |
| Common stocks 57.8% (38.7% of Total investments) | | \$445,599,304 |
| (Cost \$300,159,479) | | |
| Energy 11.7% | | 90,000,179 |
| Oil, gas and consumable fuels 11.7% | | |
| BP PLC, ADR (B)(C) | 805,950 | 32,777,987 |
| Chevron Corp. (C) | 67,000 | 7,764,630 |
| Enbridge, Inc. | 101,200 | 3,892,152 |
| ONEOK, Inc. | 605,000 | 32,833,350 |
| Royal Dutch Shell PLC, ADR, Class A | 202,000 | 12,732,060 |
| Industrials 2.0% | | 15,301,000 |
| Transportation infrastructure 2.0% | | |
| Macquarie Infrastructure Corp. | 220,000 | 15,301,000 |
| Telecommunication services 4.6% | | 35,258,800 |
| Diversified telecommunication services 3.9% | | |
| AT&T, Inc. (B)(C) | 510,000 | 17,161,500 |
| Verizon Communications, Inc. (C) | 260,000 | 12,446,200 |
| Wireless telecommunication services 0.7% | | |
| Vodafone Group PLC, ADR (B)(C) | 195,000 | 5,651,100 |
| Utilities 39.5% | | 305,039,325 |
| Electric utilities 22.1% | | |
| Alliant Energy Corp. | 800,000 | 34,608,000 |
| American Electric Power Company, Inc. (C) | 200,000 | 14,882,000 |
| Avangrid, Inc. (B)(C) | 381,500 | 19,734,995 |
| Duke Energy Corp. (C) | 285,000 | 25,168,350 |

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| | Shares | Value |
|--------------------------------|-----------|-------------|
| Utilities (continued) | | |
| Electric utilities (continued) | | |
| Entergy Corp. | 60,000 | \$5,175,600 |
| Eversource Energy (B)(C) | 380,000 | 23,803,200 |
| FirstEnergy Corp. | 160,000 | 5,272,000 |
| OGE Energy Corp. | 400,000 | 14,736,000 |
| Pinnacle West Capital Corp. | 50,000 | 4,385,500 |
| PPL Corp. (C) | 150,000 | 5,634,000 |
| The Southern Company (B)(C) | 100,000 | 5,220,000 |
| Xcel Energy, Inc. (C) | 240,000 | 11,884,800 |
| Gas utilities 0.4% | | |
| ONE Gas, Inc. | 42,500 | 3,271,650 |
| Multi-utilities 17.0% | | |
| Black Hills Corp. (B)(C) | 200,000 | 13,052,000 |
| CenterPoint Energy, Inc. | 1,025,000 | 30,319,500 |
| Dominion Energy, Inc. (B)(C) | 240,000 | 19,473,600 |
| DTE Energy Company | 250,000 | 27,615,000 |
| National Grid PLC, ADR (B)(C) | 238,333 | 14,550,230 |
| NiSource, Inc. | 440,000 | 11,602,800 |
| Vectren Corp. | 215,000 | 14,650,100 |

| | Rate (%) | Maturity date | Par value^ | Value |
|---|----------|---------------|------------|--------------|
| Corporate bonds 1.3% (0.9% of Total investments) (Cost \$10,000,000) | | | | \$10,150,000 |
| Financials 1.3% | | | | 10,150,000 |
| Consumer finance 1.3% | | | | |
| Discover Financial Services (5.500% to 10-30-27, then 3 month LIBOR + 3.076%) (D) | 5.500 | 10-30-27 | 10,000,000 | 10,150,000 |

| | Yield* (%) | Maturity date | Par value^ | Value |
|---|------------|---------------|------------|-----------------|
| Short-term investments 0.1% (0.1% of Total investments) (Cost \$941,000) | | | | \$941,000 |
| U.S. Government Agency 0.1% | | | | 941,000 |
| Federal Agricultural Mortgage Corp. Discount Note | 0.852 | 11-01-17 | 60,000 | 60,000 |
| Federal Home Loan Bank Discount Note | 0.501 | 11-01-17 | 102,000 | 102,000 |
| Federal Home Loan Bank Discount Note | 0.700 | 11-01-17 | 422,000 | 422,000 |
| Federal Home Loan Bank Discount Note | 0.850 | 11-01-17 | 357,000 | 357,000 |
| Total investments (Cost \$1,001,586,834) 149.2% | | | | \$1,150,701,079 |
| Other assets and liabilities, net (49.2%) | | | | (379,681,993) |
| Total net assets 100.0% | | | | \$771,019,086 |

The percentage shown for each investment category is the total value of the category as a percentage of the net assets of the fund unless otherwise indicated.

^All par values are denominated in U.S. dollars unless otherwise

indicated.

Security Abbreviations and Legend

ADR American Depositary Receipt

11 JOHN HANCOCK Premium Dividend Fund | ANNUAL REPORT SEE NOTES TO FINANCIAL STATEMENTS

LIBOR London Interbank Offered Rate

- (A) These securities are exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be resold, normally to qualified institutional buyers, in transactions exempt from registration.
- (B) A portion of this security is on loan as of 10-31-17, and is a component of the fund's leverage under the Liquidity Agreement.
All or a portion of this security is pledged as collateral pursuant to the Liquidity Agreement. Total collateral value at 10-31-17 was \$601,072,175. A portion of the securities pledged as collateral were loaned pursuant to the Liquidity Agreement. The value of securities on loan amounted to \$162,133,490.
- (C) Perpetual bonds have no stated maturity date. Date shown as maturity date is next call date.
- (D) Yield represents either the annualized yield at the date of purchase, the stated coupon rate or, for floating rate securities, the rate at period end.

* SEE NOTES TO FINANCIAL STATEMENTS ANNUAL REPORT | JOHN HANCOCK Premium Dividend Fund

DERIVATIVES
FUTURES

| Open contracts | Number of contracts | Position | Expiration date | Notional basis* | Notional value* | Unrealized appreciation (depreciation) |
|------------------------------------|---------------------|----------|-----------------|-----------------|-----------------|--|
| 10-Year U.S. Treasury Note Futures | 860 | Short | Dec 2017 | \$(109,010,714) | \$(107,446,250) | \$1,564,464 |
| | | | | | | \$1,564,464 |

* Notional basis refers to the contractual amount agreed upon at inception of open contracts; notional value represents the current value of the open contract.

SWAPS

Interest rate swaps

| Counterparty (OTC)/ Centrally cleared | Notional amount | Currency | Payments made | Payments received | Fixed payment frequency | Floating payment frequency | Maturity date | Unamortized upfront payment paid (received) | Unrealized appreciation (depreciation) | Value |
|---------------------------------------|-----------------|----------|---------------|------------------------------|-------------------------|----------------------------|---------------|---|--|-------------|
| Centrally cleared | 96,000,000 | USD | Fixed 2.136% | USD LIBOR BBA ^(a) | Semi-Annual | Quarterly | Oct 2022 | — | \$(179,233) | \$(179,233) |
| | | | | | | | | — | \$(179,233) | \$(179,233) |

(a) At 10-31-17, the 3 month LIBOR was 1.3812%

Derivatives
currency
abbreviations
USD U.S. Dollar

Derivatives abbreviations

BBA The British Banker's Association

LIBOR London Interbank Offered Rate

At 10-31-17, the aggregate cost of investments for federal income tax purposes was \$1,004,307,143. Net unrealized appreciation aggregated to \$147,779,167, of which \$189,832,408 related to gross unrealized appreciation and \$42,053,241 related to gross unrealized depreciation.

OTC is an abbreviation for over-the-counter. See Notes to financial statements regarding investment transactions and other derivatives information.

13 JOHN HANCOCK Premium Dividend Fund | ANNUAL REPORT SEE NOTES TO FINANCIAL STATEMENTS

Financial statements

STATEMENT OF ASSETS AND LIABILITIES 10-31-17**Assets**

| | |
|--|----------------------|
| Investments, at value (Cost \$1,001,586,834) | \$1,150,701,079 |
| Cash held at broker for futures contracts | 903,000 |
| Dividends and interest receivable | 2,712,615 |
| Receivable for futures variation margin | 67,192 |
| Receivable for centrally cleared swaps | 1,320,602 |
| Other receivables and prepaid expenses | 52,701 |
| Total assets | 1,155,757,189 |

Liabilities

| | |
|--|-------------|
| Liquidity agreement | 383,700,000 |
| Due to custodian | 140,278 |
| Interest payable | 615,615 |
| Payable to affiliates | |
| Accounting and legal services fees | 97,939 |
| Trustees' fees | 632 |
| Other liabilities and accrued expenses | 183,639 |

Total liabilities**384,738,103****Net assets****\$771,019,086****Net assets consist of**

| | |
|---|----------------------|
| Paid-in capital | \$594,635,655 |
| Undistributed net investment income | 2,789,092 |
| Accumulated net realized gain (loss) on investments, futures contracts, foreign currency transactions and swap agreements | 23,094,863 |
| Net unrealized appreciation (depreciation) on investments, futures contracts and swap agreements | 150,499,476 |
| Net assets | \$771,019,086 |

Net asset value per share

Based on 48,343,935 shares of beneficial interest outstanding unlimited number of shares authorized
with no par value \$15.95

SEE NOTES TO FINANCIAL STATEMENTS

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 14

STATEMENT OF OPERATIONS For the year ended 10-31-17

| | |
|--|----------------------|
| Investment income | |
| Dividends | \$71,535,660 |
| Interest | 74,552 |
| Less foreign taxes withheld | (682,319) |
| Total investment income | 70,927,893 |
| Expenses | |
| Investment management fees | 9,280,762 |
| Administrative service fees | 1,148,709 |
| Interest expense | 6,282,328 |
| Transfer agent fees | 133,974 |
| Trustees' fees | 45,726 |
| Printing and postage | 304,084 |
| Professional fees | 84,697 |
| Custodian fees | 90,326 |
| Stock exchange listing fees | 46,609 |
| Other | 17,338 |
| Total expenses | 17,434,553 |
| Less expense reductions | (91,004) |
| Net expenses | 17,343,549 |
| Net investment income | 53,584,344 |
| Realized and unrealized gain (loss) | |
| Net realized gain (loss) on | |
| Investments and foreign currency transactions | 22,442,141 |
| Futures contracts | 3,230,832 |
| Swap contracts | (86,159) |
| | 25,586,814 |
| Change in net unrealized appreciation (depreciation) of | |
| Investments | (19,129,673) |
| Futures contracts | 299,237 |
| Swap contracts | (48,082) |
| | (18,878,518) |
| Net realized and unrealized gain | 6,708,296 |
| Increase in net assets from operations | \$60,292,640 |

SEE NOTES TO FINANCIAL STATEMENTS

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 15

STATEMENTS OF CHANGES IN NET ASSETS

| | Year ended 10-31-17 | Year ended 10-31-16 |
|---|----------------------|----------------------|
| Increase (decrease) in net assets | | |
| From operations | | |
| Net investment income | \$53,584,344 | \$47,200,026 |
| Net realized gain | 25,586,814 | 18,932,075 |
| Change in net unrealized appreciation (depreciation) | (18,878,518) | 36,782,979 |
| Increase in net assets resulting from operations | 60,292,640 | 102,915,080 |
| Distributions to shareholders | | |
| From net investment income | (56,512,545) | (46,714,352) |
| From net realized gain | (14,484,542) | (6,896,593) |
| Total distributions | (70,997,087) | (53,610,945) |
| From fund share transactions | | |
| Issued pursuant to Dividend Reinvestment Plan | 998,329 | 255,106 |
| Repurchased | | (1,402,564) |
| Total from fund share transactions | 998,329 | (1,147,458) |
| Total increase (decrease) | (9,706,118) | 48,156,677 |
| Net assets | | |
| Beginning of year | 780,725,204 | 732,568,527 |
| End of year | \$771,019,086 | \$780,725,204 |
| Undistributed net investment income | \$2,789,092 | \$5,628,194 |
| Share activity | | |
| Shares outstanding | | |
| Beginning of year | 48,281,808 | 48,372,321 |
| Issued pursuant to Dividend Reinvestment Plan | 62,127 | 15,187 |
| Shares repurchased | | (105,700) |
| End of year | 48,343,935 | 48,281,808 |

SEE NOTES TO FINANCIAL STATEMENTS

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 16

STATEMENT OF CASH FLOWS For the year ended 10-31-17

| | |
|--|-----------------------|
| Cash flows from operating activities | |
| Net increase in net assets from operations | \$60,292,640 |
| Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities: | |
| Long-term investments purchased | (165,119,867) |
| Long-term investments sold | 175,367,973 |
| Decrease in short-term investments | 4,147,000 |
| Decrease in cash held at broker for futures contracts | 258,000 |
| Increase in receivable for centrally cleared swaps | (1,320,602) |
| Increase in dividends and interest receivable | (391,085) |
| Increase in receivable for futures variation margin | (134,375) |
| Increase in other receivables and prepaid expenses | (36,984) |
| Increase in due to custodian | 114,349 |
| Decrease in unrealized appreciation/depreciation of swap contracts | (131,151) |
| Increase in interest payable | 233,532 |
| Decrease in payable to affiliates | (731) |
| Increase in other liabilities and accrued expenses | 30,189 |
| Net change in unrealized (appreciation) depreciation on investments | 19,129,673 |
| Net realized gain on investments | (22,439,803) |
| Net cash provided by operating activities | \$69,998,758 |
| Cash flows from financing activities | |
| Distributions to common shareholders net of reinvestments | (\$69,998,758) |
| Net cash used in financing activities | (\$69,998,758) |
| Net change in cash | |
| Cash at beginning of period | |
| Cash at end of period | |
| Supplemental disclosure of cash flow information: | |
| Cash paid for interest | \$6,048,796 |
| Noncash financing activities not included herein consists of reinvestment of dividends and distributions | \$998,329 |

SEE NOTES TO FINANCIAL STATEMENTS

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 17

Financial highlights

| COMMON SHARES | | | | | |
|--|-----------------|-----------------|-------------------|-------------------|-----------------|
| Period Ended | 10-31-17 | 10-31-16 | 10-31-15 | 10-31-14 | 10-31-13 |
| Per share operating performance | | | | | |
| Net asset value, beginning of period | \$16.17 | \$15.14 | \$15.43 | \$14.01 | \$14.56 |
| Net investment income ¹ | 1.11 | 0.98 | 0.97 | 0.98 | 0.96 |
| Net realized and unrealized gain (loss) on investments | 0.14 | 1.16 | (0.21) | 1.74 | (0.60) |
| Total from investment operations | 1.25 | 2.14 | 0.76 | 2.72 | 0.36 |
| Less distributions to common shareholders | | | | | |
| From net investment income | (1.17) | (0.97) | (0.89) | (0.97) | (0.91) |
| From net realized gain | (0.30) | (0.14) | (0.20) | (0.34) | |
| Total distributions | (1.47) | (1.11) | (1.09) | (1.31) | (0.91) |
| Anti-dilutive impact of repurchase plan | | | 0.04 ² | 0.01 ² | |
| Net asset value, end of period | \$15.95 | \$16.17 | \$15.14 | \$15.43 | \$14.01 |
| Per share market value, end of period | \$16.97 | \$14.96 | \$13.68 | \$13.67 | \$12.51 |
| Total return at net asset value (%)^{4,5} | 8.26 | 14.83 | 6.18 | 22.07 | 2.94 |
| | 24.50 | 17.58 | 8.29 | 21.12 | (6.54) |

**Total return
at market
value (%)⁵**Ratios and
supplemental
dataNet assets
applicable to
common
shares, end of
period (in
millions)

| | | | | | |
|--|-------|-------|-------|-------|-------|
| | \$771 | \$781 | \$733 | \$765 | \$701 |
|--|-------|-------|-------|-------|-------|

Ratios (as a
percentage of
average net
assets):Expenses
before
reductions

| | | | | | |
|--|------|------|------|------|------|
| | 2.28 | 1.95 | 1.86 | 1.79 | 1.77 |
|--|------|------|------|------|------|

Expenses
including
reductions⁶

| | | | | | |
|--|------|------|------|------|------|
| | 2.27 | 1.94 | 1.85 | 1.79 | 1.77 |
|--|------|------|------|------|------|

Net
investment
income

| | | | | | |
|--|------|------|------|------|------|
| | 7.00 | 6.14 | 6.38 | 6.85 | 6.61 |
|--|------|------|------|------|------|

Portfolio
turnover (%)

| | | | | | |
|--|----|----|----|---|----|
| | 14 | 19 | 15 | 6 | 26 |
|--|----|----|----|---|----|

Senior
securitiesTotal debt
outstanding
end of period
(in millions)

| | | | | | |
|--|-------|-------|-------|-------|-------|
| | \$384 | \$384 | \$384 | \$384 | \$384 |
|--|-------|-------|-------|-------|-------|

Asset
coverage per
\$1,000 of
debt⁷

| | | | | | |
|--|---------|---------|---------|---------|---------|
| | \$3,009 | \$3,035 | \$2,909 | \$2,994 | \$2,826 |
|--|---------|---------|---------|---------|---------|

Based on average

¹ daily shares
outstanding.² The repurchase plan
was completed at a
repurchase price of
\$13.27, \$13.41 and
\$12.85 for 105,700,
1,218,436 and 417,696
shares, which equals
\$1,402,564,
\$16,344,551 and

\$5,368,124 in redemptions for the periods ended 10-31-16, 10-31-15 and 10-31-14, respectively.

3 Less than \$0.005 per share.

Total returns would have been lower had 4 certain expenses not been reduced during the applicable periods.

Total return based on net asset value reflects changes in the fund's net asset value during each period. Total return based on market value reflects changes in market value. Each figure assumes that distributions from 5 income, capital gains and tax return of capital, if any, were reinvested. These figures will differ depending upon the level of any discount from or premium to net asset value at which the fund's shares traded during the period.

Expenses including reductions excluding interest expense were 1.45%, 1.40%, 1.41%, 1.44% and 1.41% for 6 the periods ended 10-31-17, 10-31-16, 10-31-15, 10-31-14 and 10-31-13, respectively.

7 Asset coverage equals the total net assets plus borrowings divided by the borrowings of the fund outstanding at period

end (Note 8). As debt
outstanding changes,
the level of invested
assets may change
accordingly. Asset
coverage ratio
provides a measure of
leverage.

SEE NOTES TO FINANCIAL STATEMENTS

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 18

Notes to financial statements

Note 1 Organization

John Hancock Premium Dividend Fund (the fund) is a closed-end management investment company organized as a Massachusetts business trust and registered under the Investment Company Act of 1940, as amended (the 1940 Act).

Note 2 Significant accounting policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which require management to make certain estimates and assumptions as of the date of the financial statements. Actual results could differ from those estimates and those differences could be significant. The fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of US GAAP.

Events or transactions occurring after the end of the fiscal period through the date that the financial statements were issued have been evaluated in the preparation of the financial statements. The following summarizes the significant accounting policies of the fund:

Security valuation. Investments are stated at value as of the scheduled close of regular trading on the New York Stock Exchange (NYSE), normally at 4:00 p.m., Eastern Time. In case of emergency or other disruption resulting in the NYSE not opening for trading or the NYSE closing at a time other than the regularly scheduled close, the net asset value (NAV) may be determined as of the regularly scheduled close of the NYSE pursuant to the fund's Valuation Policies and Procedures.

In order to value the securities, the fund uses the following valuation techniques: Equity securities held by the fund are typically valued at the last sale price or official closing price on the exchange or principal market where the security trades. In the event there were no sales during the day or closing prices are not available, the securities are valued using the last available bid price. Debt obligations are valued based on the evaluated prices provided by an independent pricing vendor or from broker-dealers. Independent pricing vendors utilize matrix pricing which takes into account factors such as institutional-size trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other market data, as well as broker supplied prices. Swaps are valued using evaluated prices obtained from an independent pricing vendor. Futures contracts are valued at settlement prices, which are the official closing prices published by the exchange on which they trade. Foreign securities and currencies are valued in U.S. dollars based on foreign currency exchange rates supplied by an independent pricing vendor.

In certain instances, the Pricing Committee may determine to value equity securities using prices obtained from another exchange or market if trading on the exchange or market on which prices are typically obtained did not open for trading as scheduled, or if trading closed earlier than scheduled, and trading occurred as normal on another exchange or market.

Other portfolio securities and assets, for which reliable market quotations are not readily available, are valued at fair value as determined in good faith by the fund's Pricing Committee following procedures established by the Board of Trustees. The frequency with which these fair valuation procedures are used cannot be predicted and fair value of securities may differ significantly from the value that would have been used had a ready market for such securities existed.

The fund uses a three-tier hierarchy to prioritize the pricing assumptions, referred to as inputs, used in valuation techniques to measure fair value. Level 1 includes securities valued using quoted prices in active markets for identical

securities. Level 2 includes securities valued using other significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates, prepayment speeds and credit risk. Prices for securities valued using these inputs are received from independent pricing vendors and brokers and are based on an evaluation of the inputs described. Level 3 includes securities valued using significant unobservable inputs when market prices are not readily available or reliable, including the fund's own assumptions in determining the fair value of investments. Factors used in determining value may include market or issuer specific events or trends, changes in interest rates and credit quality. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques and related inputs may result in transfers into or out of an assigned level within the disclosure hierarchy.

The following is a summary of the values by input classification of the fund's investments as of October 31, 2017, by major security category or type:

| | Total value at 10-31-17 | Level 1 quoted price | Level 2 significant observable inputs | Level 3 significant unobservable inputs |
|--|--|-------------------------------------|--|--|
| Investments in securities: | | | | |
| Assets | | | | |
| Preferred securities | | | | |
| Consumer staples | \$20,631,000 | | \$20,631,000 | |
| Energy | 40,344,800 | \$40,344,800 | | |
| Financials | 374,198,337 | 374,198,337 | | |
| Health care | 14,978,924 | 14,978,924 | | |
| Industrials | 3,426,300 | 3,426,300 | | |
| Real estate | 26,544,111 | 26,544,111 | | |
| Telecommunication services | 23,248,000 | 21,641,800 | 1,606,200 | |
| Utilities | 190,639,303 | 179,492,000 | 11,147,303 | |
| Common stocks | 445,599,304 | 445,599,304 | | |
| Corporate bonds | 10,150,000 | | 10,150,000 | |
| Short-term investments | 941,000 | | 941,000 | |
| Total investments in securities | \$1,150,701,079 | \$1,106,225,576 | \$44,475,503 | |
| Derivatives: | | | | |
| Assets | | | | |
| Futures | \$1,564,464 | \$1,564,464 | | |
| Liabilities | | | | |
| Swap contracts | (179,233) | | \$(179,233) | |

Repurchase agreements. The fund may enter into repurchase agreements. When the fund enters into a repurchase agreement, it receives collateral that is held in a segregated account by the fund's custodian. The collateral amount is marked-to-market and monitored on a daily basis to ensure that the collateral held is in an amount not less than the principal amount of the repurchase agreement plus any accrued interest. Collateral received by the fund for repurchase agreements is disclosed in the Fund's investments as part of the caption related to the repurchase agreement.

Repurchase agreements are typically governed by the terms and conditions of the Master Repurchase Agreement and/or Global Master Repurchase Agreement (collectively, MRA). Upon an event of default, the non-defaulting party may close out all transactions traded under the MRA and net amounts owed. Absent an event of default, assets and liabilities resulting from repurchase agreements are not offset in the Statement of assets and liabilities. In the event of a default by the counterparty, realization of the collateral proceeds could be delayed, during which time the collateral value may decline or the counterparty may have insufficient assets to pay back claims resulting from close-out of the transactions.

Security transactions and related investment income. Investment security transactions are accounted for on a trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is accrued as earned. Dividend income is recorded on the ex-date, except for dividends of foreign securities where the dividend may not be known until after the ex-date. In those cases, dividend income, net of withholding taxes, is recorded when the fund becomes aware of the dividends. Foreign taxes are provided for based on the fund's understanding of the tax rules and rates that exist in the foreign markets in which it invests. Gains and losses on securities sold are determined on the basis of identified cost and may include proceeds from litigation.

Foreign taxes. The fund may be subject to withholding tax on income and/or capital gains or repatriation taxes imposed by certain countries in which the fund invests. Taxes are accrued based upon investment income, realized gains or unrealized appreciation.

Overdrafts. Pursuant to the custodian agreement, the fund's custodian may, in its discretion, advance funds to the fund to make properly authorized payments. When such payments result in an overdraft, the fund is obligated to repay the custodian for any overdraft, including any costs or expenses associated with the overdraft. The custodian may have a lien, security interest or security entitlement in any fund property that is not otherwise segregated or pledged, to the maximum extent permitted by law, to the extent of any overdraft.

Expenses. Within the John Hancock group of funds complex, expenses that are directly attributable to an individual fund are allocated to such fund. Expenses that are not readily attributable to a specific fund are allocated among all funds in an equitable manner, taking into consideration, among other things, the nature and type of expense and the fund's relative net assets. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known.

Federal income taxes. The fund intends to continue to qualify as a regulated investment company by complying with the applicable provisions of the Internal Revenue Code and will not be subject to federal income tax on taxable income that is distributed to shareholders. Therefore, no federal income tax provision is required.

As of October 31, 2017, the fund had no uncertain tax positions that would require financial statement recognition, derecognition or disclosure. The fund's federal tax returns are subject to examination by the Internal Revenue Service for a period of three years.

Managed distribution plan. The fund has adopted a managed distribution plan (the Managed Distribution Plan). Under the Managed Distribution Plan, the fund makes monthly distributions of an amount equal to \$0.0975 per share, which will be paid monthly until further notice.

Distributions under the Managed Distribution Plan may consist of net investment income, net realized long-term capital gains, net realized short-term capital gains and, to the extent necessary, return of capital. Return of capital distributions may be necessary when the fund's net investment income and net capital gains are insufficient to meet the minimum distribution. In addition, the fund may also make additional distributions for the purpose of not incurring federal income and excise taxes.

The Board of Trustees may terminate or reduce the amount paid under the Managed Distribution Plan at any time. The termination or reduction may have an adverse effect on the market price of the fund's shares.

Distribution of income and gains. Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-date. The fund generally declares and pays dividends monthly under the Managed Distribution Plan described above. The tax character of distributions for the years ended October 31, 2017 and 2016 was as follows:

| | October 31, 2017 | October 31, 2016 |
|------------------------|-------------------------|-------------------------|
| Ordinary income | \$56,512,545 | \$51,219,450 |
| Long-term capital gain | 14,484,542 | 2,391,495 |
| Total | \$70,997,087 | \$53,610,945 |

As of October 31, 2017, the components of distributable earnings on a tax basis consisted of \$3,271,927 of undistributed ordinary income and \$25,332,337 of undistributed long-term capital gains.

Such distributions and distributable earnings, on a tax basis, are determined in conformity with income tax regulations, which may differ from US GAAP. Distributions in excess of tax basis earnings and profits, if any, are reported in the fund's financial statements as a return of capital.

Capital accounts within the financial statements are adjusted for permanent book-tax differences. These adjustments have no impact on net assets or the results of operations. Temporary book-tax differences, if any, will reverse in a subsequent period. Book-tax differences are primarily attributable to wash sale loss deferrals and derivative transactions.

Statement of cash flows. Information on financial transactions that have been settled through the receipt and disbursement of cash is presented in the Statement of cash flows. The cash amount shown in the Statement of cash flows is the amount included in the fund's Statement of assets and liabilities and represents the cash on hand at the fund's custodian and does not include any short-term investments or cash held at broker for futures contracts.

Note 3 Derivative Instruments

The fund may invest in derivatives in order to meet its investment objective. Derivatives include a variety of different instruments that may be traded in the over-the-counter (OTC) market, on a regulated exchange or through a clearing facility. The risks in using derivatives vary depending upon the structure of the instruments, including the use of leverage, optionality, the liquidity or lack of liquidity of the contract, the creditworthiness of the counterparty or clearing organization and the volatility of the position. Some derivatives involve risks that are potentially greater than the risks associated with investing directly in the referenced securities or other referenced underlying instrument. Specifically, the fund is exposed to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction.

Certain swaps are typically traded through the OTC market. Certain swaps are regulated by the Commodity Futures Trading Commission. Derivative counterparty risk is managed through an ongoing evaluation of the creditworthiness of all potential counterparties and, if applicable, designated clearing organizations. The fund attempts to reduce its exposure to counterparty risk for derivatives traded in the OTC market, whenever possible, by entering into an International Swaps and Derivatives Association (ISDA) Master Agreement with each of its OTC counterparties. The ISDA gives each party to the agreement the right to terminate all transactions traded under the agreement if there is certain deterioration in the credit quality or contractual default of the other party, as defined in the ISDA. Upon an event of default or a termination of the ISDA, the non-defaulting party has the right to close out all transactions and to net amounts owed.

Futures are traded or cleared on an exchange. Exchange-traded transactions generally present less counterparty risk to a fund than OTC transactions. The exchange stands between the fund and the broker to the contract and therefore, credit risk is generally limited to the failure of the exchange and the clearing member.

Centrally-cleared swap contracts are subject to clearinghouse rules, including initial and variation margin requirements, daily settlement of obligations and the clearinghouse guarantee of payments to the broker. There is, however, still counterparty risk due to the potential insolvency of the broker with respect to any margin held in the brokers' customer accounts. While clearing members are required to segregate customer assets from their own assets, in the event of insolvency, there may be a shortfall in the amount of margin held by the broker for its clients. Collateral or margin requirements for exchange-traded or centrally-cleared derivatives are set by the broker or applicable clearinghouse. Margin for exchange-traded and centrally-cleared transactions is detailed in the Statement of assets and liabilities as Cash held at broker for futures contracts and receivable for centrally-cleared swaps, respectively. Securities pledged by the fund for exchange-traded and centrally-cleared transactions, if any, are identified in the Fund's investments.

Futures. A futures contract is a contractual agreement to buy or sell a particular currency or financial instrument at a pre-determined price in the future. Risks related to the use of futures contracts include possible illiquidity of the futures markets, contract prices that can be highly volatile and imperfectly correlated to movements in the underlying financial instrument and potential losses in excess of the amounts recognized on the Statement of assets and liabilities. Use of long futures contracts subjects the fund to the risk of loss up to the notional value of the futures contracts. Use of short futures contracts subjects the fund to unlimited risk of loss.

Upon entering into a futures contract, the fund is required to deposit initial margin with the broker in the form of cash or securities. The amount of required margin is generally based on a percentage of the contract value; this amount is

the initial margin for the trade. The margin deposit must then be maintained at the established level over the life of the contract. Futures margin receivable / payable is included on the Statement of assets and liabilities. Futures contracts are marked-to-market daily and an appropriate payable or receivable for the change in value (variation margin) and unrealized gain or loss is

recorded by the fund. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

During the year ended October 31, 2017, the fund used futures contracts to manage against anticipated interest rate changes. The fund held futures contracts with USD notional values ranging up to \$111.5 million, as measured at each quarter end.

Interest rate swaps. Interest rate swaps represent an agreement between the fund and a counterparty to exchange cash flows based on the difference between two interest rates applied to a notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The fund settles accrued net interest receivable or payable under the swap contracts at specified, future intervals. Swap agreements are privately negotiated in the OTC market or may be executed on a registered commodities exchange (centrally cleared swaps). Swaps are marked-to-market daily and the change in value is recorded as unrealized appreciation/depreciation of swap contracts. A termination payment by the counterparty or the fund is recorded as realized gain or loss, as well as the net periodic payments received or paid by the fund. The value of the swap will typically impose collateral posting obligations on the party that is considered out-of-the-money on the swap.

Entering into swap agreements involves, to varying degrees, elements of credit, market and documentation risk that may provide outcomes that are in excess of the amounts recognized on the Statement of assets and liabilities. Such risks involve the possibility that there will be no liquid market for the swap, or that a counterparty may default on its obligation or delay payment under the swap terms. The counterparty may disagree or contest the terms of the swap. In addition to interest rate risk, market risks may also impact the swap. The fund may also suffer losses if it is unable to terminate or assign outstanding swaps or reduce its exposure through offsetting transactions.

During the year ended October 31, 2017, the fund used interest rate swaps to manage against anticipated interest rate changes. The fund held interest rate swaps with total USD notional amounts ranging up to \$96.0 million, as measured at each quarter end.

Fair value of derivative instruments by risk category

The table below summarizes the fair value of derivatives held by the fund at October 31, 2017 by risk category:

| Risk | Statement of assets and liabilities location | Financial instruments location | Assets derivatives fair value | Liabilities derivatives fair value |
|---------------|--|----------------------------------|-------------------------------|------------------------------------|
| Interest rate | Receivable/payable for futures | Futures | \$1,564,464 | |
| Interest rate | Receivable for centrally cleared swaps | Interest rate swaps [^] | | (\$179,233) |
| | | | \$1,564,464 | (\$179,233) |

Reflects cumulative appreciation/depreciation on futures as disclosed in Fund's investments. Only the year end variation margin is separately disclosed on the Statement of assets and liabilities.

[^] Reflects cumulative value of swap contracts. Receivable for centrally cleared swaps, which includes value and margin, is shown on the Statement of assets and liabilities. Margin on centrally cleared swaps at October 31, 2017 amounted to \$1,499,835.

For financial reporting purposes, the portfolio does not offset OTC derivative assets or liabilities that are subject to master netting arrangements, as defined by the ISDAs, in the Statement of assets and liabilities. In the event of default by the counterparty or a termination of the agreement, the ISDA allows an offset of amounts across the various transactions between the fund and the applicable counterparty.

Effect of derivative instruments on the Statement of operations

The table below summarizes the net realized gain (loss) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the year ended October 31, 2017:

Statement of operations location - net realized gain (loss) on:

| Risk | Futures contracts | Swap contracts | Total |
|---------------|--------------------------|-----------------------|---------------|
| Interest rate | \$3,230,832 | (\$86,159 |) \$3,144,673 |

The table below summarizes the net change in unrealized appreciation (depreciation) included in the net increase (decrease) in net assets from operations, classified by derivative instrument and risk category, for the year ended October 31, 2017:

Statement of operations location - change in net unrealized appreciation (depreciation) of:

| Risk | Futures contracts | Swap contracts | Total |
|---------------|--------------------------|-----------------------|--------------|
| Interest rate | \$299,237 | (\$48,082 |) \$251,155 |

Note 4 Guarantees and indemnifications

Under the fund's organizational documents, its Officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the fund. Additionally, in the normal course of business, the fund enters into contracts with service providers that contain general indemnification clauses. The fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the fund that have not yet occurred. The risk of material loss from such claims is considered remote.

Note 5 Fees and transactions with affiliates

John Hancock Advisers, LLC (the Advisor) serves as investment advisor for the fund. The Advisor is an indirect, wholly owned subsidiary of Manulife Financial Corporation (MFC).

Management fee. The fund has an investment management agreement with the Advisor under which the fund pays a daily management fee to the Advisor, equivalent on an annual basis to 0.50% of the fund's average daily managed assets (net assets plus borrowing under the Liquidity Agreement) (see Note 8). In addition, the fund pays to the Advisor 5.00% of the fund's daily gross income, which amounted to \$3,580,517 for the year ended October 31, 2017. The Advisor has a subadvisory agreement with John Hancock Asset Management a division of Manulife Asset Management (US) LLC, an indirectly owned subsidiary of MFC and an affiliate of the Advisor. The fund is not responsible for payment of the subadvisory fees.

The Advisor has contractually agreed to waive a portion of its management fee and/or reimburse expenses for certain funds of the John Hancock group of funds complex, including the fund (the participating portfolios). This waiver is based upon aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each fund. During the year ended October 31, 2017, this waiver amounted to 0.01% of the fund's average daily managed assets. This arrangement may be amended or terminated at any time by the Advisor upon notice to the fund and with the approval of the Board of Trustees.

The expense reductions described above amounted to \$91,004 for the year ended October 31, 2017.

Expenses waived or reimbursed in the current fiscal period are not subject to recapture in future fiscal periods.

The investment management fees, including the impact of the waivers and reimbursements as described above, incurred for the year ended October 31, 2017 were equivalent to a net annual effective rate of 0.80% of the fund's average daily managed assets.

Administrative services. The fund has an administrative agreement with the Advisor under which the Advisor oversees the custodial, auditing, valuation, accounting, legal, stock transfer and dividend disbursing services and other operational activities and maintains fund communications with shareholders. The fund pays the Advisor a monthly administration fee at an annual rate of 0.10% of the fund's average daily managed assets.

Trustee expenses. The fund compensates each Trustee who is not an employee of the Advisor or its affiliates. These Trustees receive from the fund and the other John Hancock closed-end funds an annual retainer. In addition, Trustee out-of-pocket expenses are allocated to the fund based on its net assets relative to other funds within the John Hancock group of funds complex.

Note 6 Fund share transactions

On December 17, 2014, the Board of Trustees approved a share repurchase program, which is subsequently reviewed and approved by the Board of Trustees each year in December. Under the share repurchase program, the fund may purchase in the open market, up to 10% of its outstanding common shares as of December 31, 2016. The current share purchase plan will remain in effect between January 1, 2017 to December 31, 2017.

During the year ended October 31, 2017, the fund had no repurchase activities under the repurchase program. For the year ended October 31, 2016, the fund repurchased 0.22% of its common shares outstanding under the repurchase program. The weighted average discount per share on these repurchases amount to 9.75% for the year ended October 31, 2016. Shares repurchased and corresponding dollar amounts are included on the Statements of changes in net assets. The anti-dilutive impacts of these share repurchases are included on the Financial highlights.

Note 7 Leverage risk

The fund utilizes a Liquidity Agreement to increase its assets available for investment. When the fund leverages its assets, common shareholders bear the fees associated with the Liquidity Agreement and have potential to benefit or be disadvantaged from the use of leverage. The Advisor's fee is also increased in dollar terms from the use of leverage. Consequently, the fund and the Advisor may have differing interests in determining whether to leverage the fund's assets. Leverage creates risks that may adversely affect the return for the holders of common shares, including:

- the likelihood of greater volatility of NAV and market price of common shares;
- fluctuations in the interest rate paid for the use of the Liquidity Agreement;
- increased operating costs, which may reduce the fund's total return;
- the potential for a decline in the value of an investment acquired through leverage, while the fund's obligations under such leverage remains fixed; and
- the fund is more likely to have to sell securities in a volatile market in order to meet asset coverage or other debt compliance requirements.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the fund's return will be greater than if leverage had not been used, conversely, returns would be lower if the cost of the leverage exceeds the income or capital appreciation derived. The use of securities lending to obtain leverage in the fund's investments may subject the fund to greater risk of loss than would reinvestment of collateral in short term highly rated investments.

In addition to the risks created by the fund's use of leverage, the fund is subject to the risk that it would be unable to timely, or at all, obtain replacement financing if the Liquidity Agreement is terminated. Were this to happen, the fund would be required to de-leverage, selling securities at a potentially inopportune time and incurring tax consequences. Further, the fund's ability to generate income from the use of leverage would be adversely affected.

Note 8 Liquidity agreement

The fund has entered into a Liquidity Agreement (LA) with State Street Bank and Trust Company (SSB) that allows it to borrow or otherwise access up to \$383.7 million (maximum facility amount) through a line of credit, securities lending and reverse repurchase agreements. The amounts outstanding at October 31, 2017 are shown in the Statement of assets and liabilities as the Liquidity agreement.

The fund pledges its assets as collateral to secure obligations under the LA. The fund retains the risks and rewards of the ownership of assets pledged to secure obligations under the LA and makes these assets available for securities lending and reverse repurchase transactions with SSB acting as the fund's authorized agent for these transactions. All transactions

initiated through SSB are required to be secured with cash collateral received from the securities borrower (the Borrower) or cash is received from the reverse repurchase agreement (Reverse Repo) counterparties. Securities lending transactions will be secured with cash collateral in amounts at least equal to 100% of the market value of the securities utilized in these transactions. Cash received by SSB from securities lending or Reverse Repo transactions is credited against the amounts borrowed under the line of credit.

Upon return of securities by the Borrower or Reverse Repo counterparty, SSB will return the cash collateral to the Borrower or proceeds from the Reverse Repo, as applicable, which will eliminate the credit against the line of credit and will cause the drawdowns under the line of credit to increase by the amounts returned. Income earned on the loaned securities is retained by SSB, and any interest due on the reverse repurchase agreements is paid by SSB.

SSB has indemnified the fund for certain losses that may arise if the Borrower or a Reverse Repo Counterparty fails to return securities when due. With respect to securities lending transactions, upon a default of the securities borrower, SSB uses the collateral received from the Borrower to purchase replacement securities of the same issue, type, class and series. If the value of the collateral is less than the purchase cost of replacement securities, SSB is responsible for satisfying the shortfall but only to the extent that the shortfall is not due to any of the fund's losses on the reinvested cash collateral. Although the risk of the loss of the securities is mitigated by receiving collateral from the Borrower or proceeds from the Reverse Repo counterparty and through SSB indemnification, the fund could experience a delay in recovering securities or could experience a lower than expected return if the Borrower or Reverse Repo counterparty fails to return the securities on a timely basis.

Under normal circumstances, interest charged is at the rate of one month LIBOR (London Interbank Offered Rate) plus 0.625%, is payable monthly on the aggregate balance of the drawdowns outstanding under the LA. As of October 31, 2017, the fund had an aggregate balance of \$383,700,000 at an interest rate of 1.87%, which is reflected in the Liquidity agreement on the Statement of assets and liabilities. During the year ended October 31, 2017, the average balance of the LA and the effective average interest rate were \$383,700,000 and 1.64%, respectively.

After the six month anniversary of the effective date of the agreement, the fund may terminate the LA with 60 days' notice. If certain asset coverage and collateral requirements, or other covenants are not met, the LA could be deemed in default and result in termination. Absent a default or facility termination event, SSB is required to provide the fund with 360 days' notice prior to terminating the LA.

Note 9 Purchase and sale of securities

Purchases and sales of securities, other than short-term investments, amounted to \$165,119,867 and \$175,367,973, respectively, for the year ended October 31, 2017.

Note 10 Industry or sector risk

The fund may invest a large percentage of its assets in one or more particular industries or sectors of the economy. If a large percentage of the fund's assets are economically tied to a single or small number of industries or sectors of the economy, the fund will be less diversified than a more broadly diversified fund, and it may cause the fund to underperform if that industry or sector underperforms. In addition, focusing on a particular industry or sector may make the fund's NAV more volatile. Further, a fund that invests in particular industries or sectors is particularly susceptible to the impact of market, economic, regulatory and other factors affecting those industries or sectors.

AUDITOR'S REPORT

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of John Hancock Premium Dividend Fund:

In our opinion, the accompanying statement of assets and liabilities, including the fund's investments, and the related statements of operations, of changes in net assets, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of the John Hancock Premium Dividend Fund (the "Fund") as of October 31, 2017, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of October 31, 2017 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Boston, Massachusetts

December 15, 2017

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 27

TAX INFORMATION

Unaudited

For federal income tax purposes, the following information is furnished with respect to the distributions of the fund, if any, paid during its taxable year ended October 31, 2017.

The fund reports the maximum amount allowable of its net taxable income as eligible for the corporate dividends-received deduction.

The fund reports the maximum amount allowable of its net taxable income as qualified dividend income as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The fund paid \$14,484,542 in capital gain dividends.

Eligible shareholders will be mailed a 2017 Form 1099-DIV in early 2018. This will reflect the tax character of all distributions paid in calendar year 2017.

Please consult a tax advisor regarding the tax consequences of your investment in the fund.

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 28

ADDITIONAL INFORMATION

Unaudited

Investment objective and policy

The fund is a closed-end, diversified management investment company, common shares of which were initially offered to the public on December 15, 1989, and are publicly traded on the New York Stock Exchange (the NYSE). The fund's investment objective is to provide high current income, consistent with modest growth of capital. The fund will pursue its objective by investing in a diversified portfolio comprised primarily of dividend paying preferred securities and common equity securities. The fund utilizes a credit facility agreement to increase its assets available for investments.

Under normal circumstances, the fund will invest at least 80% of its assets in dividend paying securities. The fund will notify shareholders at least 60 days prior to any change in this 80% investment policy.

Dividends and distributions

During the year ended October 31, 2017, distributions from net investment income totaling \$1.1700 per share and distributions from capital gains totaling \$0.3000 per share were paid to shareholders. The dates of payments and the amounts per share were as follows:

| Payment Date | Income Distributions |
|---------------------|---------------------------------|
| November 30, 2016 | \$0.0975 |
| December 19, 2016 | 0.0975 |
| January 31, 2017 | 0.0975 |
| February 28, 2017 | 0.0975 |
| March 31, 2017 | 0.0975 |
| April 28, 2017 | 0.0975 |
| May 31, 2017 | 0.0975 |
| June 30, 2017 | 0.0975 |
| July 31, 2017 | 0.0975 |
| August 31, 2017 | 0.0975 |
| September 29, 2017 | 0.0975 |
| October 31, 2017 | 0.0975 |
| Total | \$1.1700 |
| Payment Date | Additional Distributions |
| December 19, 2016 | \$0.3000 |
| Total | \$1.4700 |

Dividend reinvestment plan

The fund's Dividend Reinvestment Plan (the Plan) provides that distributions of dividends and capital gains are automatically reinvested in common shares of the fund by Computershare Trust Company, N.A. (the Plan Agent). Every shareholder holding at least one full share of the fund is entitled to participate in the Plan. In addition, every shareholder who became a shareholder of the fund after June 30, 2011, and holds at least one full share of the fund will be automatically enrolled in the Plan. Shareholders may withdraw from the Plan at any time and shareholders who do not participate in the Plan will receive all distributions in cash.

If the fund declares a dividend or distribution payable either in cash or in common shares of the fund and the market price of shares on the payment date for the distribution or dividend equals or exceeds the fund's net asset value per

share (NAV), the fund will issue common shares to participants at a value equal to the higher of NAV or 95% of the market price. The number of additional shares to be credited to each participant's account will be determined by dividing the dollar amount of the distribution or dividend by the higher of NAV or 95% of the market price. If the market price is lower than NAV, or if dividends or distributions are payable only in cash, then participants will receive shares purchased by the Plan Agent on participants'

behalf on the NYSE or otherwise on the open market. If the market price exceeds NAV before the Plan Agent has completed its purchases, the average per share purchase price may exceed NAV, resulting in fewer shares being acquired than if the fund had issued new shares.

There are no brokerage charges with respect to common shares issued directly by the fund. However, whenever shares are purchased or sold on the NYSE or otherwise on the open market, each participant will pay a pro rata portion of brokerage trading fees, currently \$0.05 per share purchased or sold. Brokerage trading fees will be deducted from amounts to be invested.

The reinvestment of dividends and net capital gains distributions does not relieve participants of any income tax that may be payable on such dividends or distributions.

Shareholders participating in the Plan may buy additional shares of the fund through the Plan at any time in amounts of at least \$50 per investment, up to a maximum of \$10,000, with a total calendar year limit of \$100,000. Shareholders will be charged a \$5 transaction fee plus \$0.05 per share brokerage trading fee for each order. Purchases of additional shares of the fund will be made on the open market. Shareholders who elect to utilize monthly electronic fund transfers to buy additional shares of the fund will be charged a \$2 transaction fee plus \$0.05 per share brokerage trading fee for each automatic purchase. Shareholders can also sell fund shares held in the Plan account at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at www.computershare.com/investor. The Plan Agent will mail a check (less applicable brokerage trading fees) on settlement date. Pursuant to regulatory changes, effective September 5, 2017, the settlement date is changed from three business days after the shares have been sold to two business days after the shares have been sold. If shareholders choose to sell shares through their stockbroker, they will need to request that the Plan Agent electronically transfer those shares to their stockbroker through the Direct Registration System.

Shareholders participating in the Plan may withdraw from the Plan at any time by contacting the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at www.computershare.com/investor. Such termination will be effective immediately if the notice is received by the Plan Agent prior to any dividend or distribution record date; otherwise, such termination will be effective on the first trading day after the payment date for such dividend or distribution, with respect to any subsequent dividend or distribution. If shareholders withdraw from the Plan, their shares will be credited to their account; or, if they wish, the Plan Agent will sell their full and fractional shares and send the shareholders the proceeds, less a transaction fee of \$5 and less brokerage trading fees of \$0.05 per share. If a shareholder does not maintain at least one whole share of common stock in the Plan account, the Plan Agent may terminate such shareholder's participation in the Plan after written notice. Upon termination, shareholders will be sent a check for the cash value of any fractional share in the Plan account, less any applicable broker commissions and taxes.

Shareholders who hold at least one full share of the fund may join the Plan by notifying the Plan Agent by telephone, in writing or by visiting the Plan Agent's website at www.computershare.com/investor. If received in proper form by the Plan Agent before the record date of a dividend, the election will be effective with respect to all dividends paid after such record date. If shareholders wish to participate in the Plan and their shares are held in the name of a brokerage firm, bank or other nominee, shareholders should contact their nominee to see if it will participate in the Plan. If shareholders wish to participate in the Plan, but their brokerage firm, bank or other nominee is unable to participate on their behalf, they will need to request that their shares be re-registered in their own name, or they will not be able to participate. The Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by shareholders as representing the total amount registered in their name and held for their account by their nominee.

Experience under the Plan may indicate that changes are desirable. Accordingly, the fund and the Plan Agent reserve the right to amend or terminate the Plan. Participants generally will receive written notice at least 90 days before the effective date of any amendment. In the case of termination, participants will receive written notice at least 90 days

before the record date for the payment of any dividend or distribution by the fund.

Effective November 1, 2013, the Plan was revised to provide that Computershare Trust Company, N.A. no longer provides mail loss insurance coverage when shareholders mail their certificates to the fund's administrator.

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 30

All correspondence or requests for additional information about the Plan should be directed to Computershare Trust Company, N.A., at the address stated below, or by calling 800-852-0218, 201-680-6578 (For International Telephone Inquiries) and 800-952-9245 (For the Hearing Impaired (TDD)).

Shareholder communication and assistance

If you have any questions concerning the fund, we will be pleased to assist you. If you hold shares in your own name and not with a brokerage firm, please address all notices, correspondence, questions or other communications regarding the fund to the transfer agent at:

Regular Mail:

Computershare

P.O. Box 505000

Louisville, KY 40233

Registered or Overnight Mail:

Computershare

462 South 4th Street, Suite 1600

Louisville, KY 40202

If your shares are held with a brokerage firm, you should contact that firm, bank or other nominee for assistance.

Continuation of Investment Advisory and Subadvisory Agreements

Evaluation of Advisory and Subadvisory Agreements by the Board of Trustees

This section describes the evaluation by the Board of Trustees (the Board) of John Hancock Premium Dividend Fund (the fund) of the Advisory Agreement (the Advisory Agreement) with John Hancock Advisers, LLC (the Advisor) and the Subadvisory Agreement (the Subadvisory Agreement) with John Hancock Asset Management a division of Manulife Asset Management (US) LLC (the Subadvisor). The Advisory Agreement and Subadvisory Agreement are collectively referred to as the Agreements. Prior to the June 19-22, 2017 in-person meeting at which the Agreements were approved, the Board also discussed and considered information regarding the proposed continuation of the Agreements at an in-person meeting held on May 22-24, 2017.

Approval of Advisory and Subadvisory Agreements

At in-person meetings held on June 19-22, 2017, the Board, including the Trustees who are not parties to any Agreement or considered to be interested persons of the fund under the Investment Company Act of 1940, as amended (the 1940 Act) (the Independent Trustees), reapproved for an annual period the continuation of the Advisory Agreement between the fund and the Advisor and the Subadvisory Agreement between the Advisor and the Subadvisor with respect to the fund.

In considering the Advisory Agreement and the Subadvisory Agreement, the Board received in advance of the meetings a variety of materials relating to the fund, the Advisor and the Subadvisor, including comparative performance, fee and expense information for a peer group of similar funds prepared by an independent third-party provider of fund data, performance information for an applicable benchmark index; and other pertinent information, such as the market premium and discount information, and, with respect to the Subadvisor, comparative performance information for comparably managed accounts, as applicable, and other information provided by the Advisor and the Subadvisor regarding the nature, extent and quality of services provided by the Advisor and the Subadvisor under their respective Agreements, as well as information regarding the Advisor's revenues and costs of providing services to the fund and any compensation paid to affiliates of the Advisor. At the meetings at which the renewal of the Advisory Agreement and Subadvisory Agreement are considered, particular focus is given to information concerning fund performance, comparability of fees and total expenses, and profitability. However, the Board notes that the evaluation process with respect to the Advisor and the Subadvisor is an ongoing one. In this regard, the Board also took into account discussions with management and information provided to the Board (including its various committees) at prior meetings with respect to the services provided by the Advisor and the Subadvisor to the fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Subadvisor with respect to the fund. The information received and considered by the Board in connection with the May and June meetings and throughout the year was both written and oral. The Board noted the affiliation of the Subadvisor with the Advisor, noting any potential conflicts of interest. The Board also considered the nature, quality, and extent of non-advisory services, if any, to be provided to the fund by the Advisor's affiliates. The Board considered the Advisory Agreement and Subadvisory Agreement separately in the course of its review. In doing so, the Board noted the respective roles of the Advisor and Subadvisor in providing services to the fund.

Throughout the process, the Board asked questions of and requested additional information from management. The Board is assisted by counsel for the fund and the Independent Trustees are also separately assisted by independent legal counsel throughout the process. The Independent Trustees also received a memorandum from their independent legal counsel discussing the legal standards for their consideration of the proposed continuation of the Agreements and discussed the proposed continuation of the Agreements in private sessions with their independent legal counsel at which no representatives of management were present.

Approval of Advisory Agreement

In approving the Advisory Agreement with respect to the fund, the Board, including the Independent Trustees, considered a variety of factors, including those discussed below. The Board also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the industry) and did not treat any single factor as

determinative, and each Trustee may have attributed different weights to different factors. The Board's conclusions may be based in part on its consideration of the advisory and subadvisory arrangements in prior years and on the Board's ongoing regular review of fund performance and operations throughout the year.

Nature, extent, and quality of services. Among the information received by the Board from the Advisor relating to the nature, extent, and quality of services provided to the fund, the Board reviewed information provided by the Advisor relating to its operations and personnel, descriptions of its organizational and management structure, and information regarding the Advisor's compliance and regulatory history, including its Form ADV. The Board also noted that on a regular basis it receives and reviews information from the fund's Chief Compliance Officer (CCO) regarding the fund's compliance policies and procedures established pursuant to Rule 38a-1 under the 1940 Act. The Board observed that the scope of services provided by the Advisor, and of the undertakings required of the Advisor in connection with those services, including maintaining and monitoring its own and the fund's compliance programs, risk management programs, liquidity management programs and cybersecurity programs, had expanded over time as a result of regulatory, market and other developments. The Board considered that the Advisor is responsible for the management of the day-to-day operations of the fund, including, but not limited to, general supervision of and coordination of the services provided by the Subadvisor, and is also responsible for monitoring and reviewing the activities of the Subadvisor and third-party service providers. The Board also considered the significant risks assumed by the Advisor in connection with the services provided to the fund including entrepreneurial risk in sponsoring new funds and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to all funds.

The Board also considered the differences between the Advisor's services to the fund and the services it provides to other clients that are not closed-end funds, including, for example, the differences in services related to the regulatory and legal obligations of closed-end funds.

In considering the nature, extent, and quality of the services provided by the Advisor, the Trustees also took into account their knowledge of the Advisor's management and the quality of the performance of the Advisor's duties, through Board meetings, discussions and reports during the preceding year and through each Trustee's experience as a Trustee of the fund and of the other funds in the John Hancock group of funds complex (the John Hancock Fund Complex).

In the course of their deliberations regarding the Advisory Agreement, the Board considered, among other things:

- the skills and competency with which the Advisor has in the past managed the fund's affairs and its subadvisory relationship, the Advisor's oversight and monitoring of the Subadvisor's investment performance and compliance
- (a) programs, such as the Subadvisor's compliance with fund policies and objectives, review of brokerage matters, including with respect to trade allocation and best execution and the Advisor's timeliness in responding to performance issues;
- (b) the background, qualifications and skills of the Advisor's personnel;
- (c) the Advisor's compliance policies and procedures and its responsiveness to regulatory changes and fund industry developments;
- (d) the Advisor's administrative capabilities, including its ability to supervise the other service providers for the fund;
- (e) the financial condition of the Advisor and whether it has the financial wherewithal to provide a high level and quality of services to the fund;
- (f) the Advisor's initiatives intended to improve various aspects of the fund's operations and investor experience with the fund; and
- (g) the Advisor's reputation and experience in serving as an investment advisor to the fund and the benefit to shareholders of investing in funds that are part of a family of funds offering a variety of investments.

The Board concluded that the Advisor may reasonably be expected to continue to provide a high quality of services under the Advisory Agreement with respect to the fund.

Investment performance. In considering the fund's performance, the Board noted that it reviews at its regularly scheduled meetings information about the fund's performance results. In connection with the consideration of the Advisory Agreement, the Board:

- (a) reviewed information prepared by management regarding the fund's performance;
- (b) considered the comparative performance of an applicable benchmark index;
- (c) considered the performance of comparable funds, if any, as included in the report prepared by an independent third-party provider of fund data;
- (d) took into account the Advisor's analysis of the fund's performance; and
- (e) considered the fund's share performance and premium/discount information.

The Board noted that while it found the data provided by the independent third-party generally useful it recognized its limitations, including in particular that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board noted that, based on its net asset value, the fund outperformed its benchmark index and peer group average for the one-, three-, five- and ten-year periods ended December 31, 2016. The Board took into account management's discussion of the fund's performance, including the favorable performance relative to the benchmark index and peer group for the one-, three-, five- and ten-year periods. The Board concluded that the fund's performance has generally been in line with or outperformed the historical performance of comparable funds and the fund's benchmark index.

Fees and expenses. The Board reviewed comparative information prepared by an independent third-party provider of fund data, including, among other data, the fund's contractual and net management fees (and subadvisory fees, to the extent available) and total expenses as compared to similarly situated investment companies deemed to be comparable to the fund in light of the nature, extent and quality of the management and advisory and subadvisory services provided by the Advisor and the Subadvisor. The Board considered the fund's ranking within a smaller group of peer funds chosen by the independent third-party provider, as well as the fund's ranking within a broader group of funds. In comparing the fund's contractual and net management fees to those of comparable funds, the Board noted that such fees include both advisory and administrative costs.

The Board also took into account the impact of leverage on fund expenses. The Board took into account the management fee structure, including that management fees for the fund were based on the fund's total managed assets, which are attributable to common stock and borrowings. The Board noted that net management fees and total expenses for the fund are higher than the peer group median.

The Board took into account management's discussion of the fund's expenses. The Board also took into account management's discussion with respect to the overall management fee, the fees of the Subadvisor, including the amount of the advisory fee retained by the Advisor after payment of the subadvisory fee, in each case in light of the services rendered for those amounts and the risks undertaken by the Advisor. The Board also noted that the Advisor pays the subadvisory fee. In addition, the Board took into account that management had agreed to implement an overall fee waiver across the complex, including the fund, which is discussed further below. The Board reviewed information provided by the Advisor concerning the investment advisory fee charged by the Advisor or one of its advisory affiliates to other clients (including other funds in the John Hancock Fund Complex) having similar investment mandates, if any. The Board considered any differences between the Advisor's and Subadvisor's services to the fund and the services they provide to other comparable clients or funds. The Board concluded that the advisory fee paid with respect to the fund is reasonable in light of the nature, extent and quality of the services provided to the fund under the Advisory Agreement.

Profitability/Fall out benefits. In considering the costs of the services to be provided and the profits to be realized by the Advisor and its affiliates (including the Subadvisor) from the Advisor's relationship with the fund, the Board:

(a) reviewed financial information of the Advisor;
ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 34

- (b) reviewed and considered information presented by the Advisor regarding the net profitability to the Advisor and its affiliates with respect to the fund;
- (c) received and reviewed profitability information with respect to the John Hancock Fund Complex as a whole and with respect to the fund;
received information with respect to the Advisor's allocation methodologies used in preparing the profitability
- (d) data and considered that the advisor hired an independent third-party consultant to provide an analysis of the Advisor's allocation methodologies;
- (e) considered that the Advisor also provides administrative services to the fund on a cost basis pursuant to an administrative services agreement;
- (f) noted that the fund's Subadvisor is an affiliate of the Advisor;
- (g) noted that the Advisor also derives reputational and other indirect benefits from providing advisory services to the fund;
- (h) noted that the subadvisory fees for the fund are paid by the Advisor;
- (i) considered the Advisor's ongoing costs and expenditures necessary to improve services, meet new regulatory and compliance requirements, and adapt to other challenges impacting the fund industry; and
considered that the Advisor should be entitled to earn a reasonable level of profits in exchange for the level of
- (j) services it provides to the fund and the risks it assumes as Advisor, including entrepreneurial, operational, reputational, litigation and regulatory risk.

Based upon its review, the Board concluded that the level of profitability, if any, of the Advisor and its affiliates (including the Subadvisor) from their relationship with the fund was reasonable and not excessive.

Economies of scale. In considering the extent to which the fund may realize any economies of scale and whether fee levels reflect these economies of scale for the benefit of the fund shareholders, the Board noted that the fund has a limited ability to increase its assets as a closed-end fund. The Board took into account management's discussions of the current advisory fee structure, and, as noted above, the services the Advisor provides in performing its functions under the Advisory Agreement and in supervising the Subadvisor.

The Board also considered potential economies of scale that may be realized by the fund as part of the John Hancock Fund Complex. Among them, the Board noted that the Advisor has contractually agreed to waive a portion of its management fee and/or reimburse expenses for certain funds of the John Hancock Fund Complex, including the fund (the participating portfolios). This waiver is based upon aggregate net assets of all the participating portfolios. The amount of the reimbursement is calculated daily and allocated among all the participating portfolios in proportion to the daily net assets of each fund. The Board also considered the Advisor's overall operations and its ongoing investment in its business in order to expand the scale of, and improve the quality of, its operations that benefit the fund. The Board noted that although the fund does not have breakpoints in its contractual management fee, its total expenses are below the peer group median. The Board determined that the management fee structure for the fund was reasonable.

Approval of Subadvisory Agreement

In making its determination with respect to approval of the Subadvisory Agreement, the Board reviewed:

- (1) information relating to the Subadvisor's business, including current subadvisory services to the fund (and other funds in the John Hancock Fund Complex);
- (2) the historical and current performance of the fund and comparative performance information relating to an applicable benchmark index and comparable funds; and

- (3) the subadvisory fee for the fund and to the extent available, comparable fee information prepared by an independent third party provider of fund data.

Nature, extent, and quality of services. With respect to the services provided by the Subadvisor, the Board received information provided to the Board by the Subadvisor, including the Subadvisor's Form ADV, as well as took into account information presented throughout the past year. The Board considered the Subadvisor's current level of staffing and its overall resources, as well as received information relating to the Subadvisor's compensation program. The Board reviewed the Subadvisor's history and investment experience, as well as information regarding the qualifications, background, and responsibilities of the Subadvisor's investment and compliance personnel who provide services to the fund. The Board also considered, among other things, the Subadvisor's compliance program and any disciplinary history. The Board also considered the Subadvisor's risk assessment and monitoring process. The Board reviewed the Subadvisor's regulatory history, including whether it was involved in any regulatory actions or investigations as well as material litigation, and any settlements and amelioratory actions undertaken, as appropriate. The Board noted that the Advisor conducts regular, periodic reviews of the Subadvisor and its operations, including regarding investment processes and organizational and staffing matters. The Board also noted that the fund's CCO and his staff conduct regular, periodic compliance reviews with the Subadvisor and present reports to the Independent Trustees regarding the same, which includes evaluating the regulatory compliance systems of the Subadvisor and procedures reasonably designed to assure compliance with the federal securities laws. The Board also took into account the financial condition of the Subadvisor.

The Board considered the Subadvisor's investment process and philosophy. The Board took into account that the Subadvisor's responsibilities include the development and maintenance of an investment program for the fund that is consistent with the fund's investment objective, the selection of investment securities and the placement of orders for the purchase and sale of such securities, as well as the implementation of compliance controls related to performance of these services. The Board also received information with respect to the Subadvisor's brokerage policies and practices, including with respect to best execution and soft dollars.

Subadvisor compensation. In considering the cost of services to be provided by the Subadvisor and the profitability to the Subadvisor of its relationship with the fund, the Board noted that the fees under the Subadvisory Agreement are paid by the Advisor and not the fund. The Board also considered any potential conflicts of interest the Advisor might have in connection with the Subadvisory Agreement.

In addition, the Board considered other potential indirect benefits that the Subadvisor and its affiliates may receive from the Subadvisor's relationship with the fund, such as the opportunity to provide advisory services to additional funds in the John Hancock Fund Complex and reputational benefits.

Subadvisory fees. The Board considered that the fund pays an advisory fee to the Advisor and that, in turn, the Advisor pays subadvisory fees to the Subadvisor. As noted above, the Board also considered the fund's subadvisory fee as compared to similarly situated investment companies deemed to be comparable to the fund as included in the report prepared by the independent third party provider of fund data, to the extent available. The Board noted that the limited size of the Lipper peer group was not sufficient for comparative purposes. The Board also took into account the subadvisory fee paid by the Advisor to the Subadvisor with respect to the fund and compared them to fees charged by the Subadvisor to manage other subadvised portfolios and portfolios not subject to regulation under the 1940 Act, as applicable.

Subadvisor performance. As noted above, the Board considered the fund's performance as compared to the fund's peer group and the benchmark index and noted that the Board reviews information about the fund's performance results at its regularly scheduled meetings. The Board noted the Advisor's expertise and resources in monitoring the performance, investment style and risk-adjusted performance of the Subadvisor. The Board was mindful of the Advisor's focus on the Subadvisor's performance. The Board also noted the Subadvisor's long-term performance record for similar accounts, as applicable.

The Board's decision to approve the Subadvisory Agreement was based on a number of determinations, including the following:

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 36

- (1) the Subadvisor has extensive experience and demonstrated skills as a manager;
- (2) the fund's performance, based on net asset value, has generally been in line with or outperformed the historical performance of comparable funds and the fund's benchmark index; and
- (3) the subadvisory fees are reasonable in relation to the level and quality of services being provided under the Subadvisory Agreement.

* * *

Based on the Board's evaluation of all factors that the Board deemed to be material, including those factors described above, the Board, including the Independent Trustees, concluded that renewal of the Advisory Agreement and the Subadvisory Agreement would be in the best interest of the fund and its shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Advisory Agreement and Subadvisory Agreement for an additional one-year period.

Trustees and Officers

This chart provides information about the Trustees and Officers who oversee your John Hancock fund. Officers elected by the Trustees manage the day-to-day operations of the fund and execute policies formulated by the Trustees.

Independent Trustees

| Name, year of birth | Trustee Number of John |
|--|----------------------------------|
| <i>Position(s) held with fund</i> | of the Hancock funds |
| Principal occupation(s) and other | Trust overseen by |
| directorships during past 5 years | since¹ Trustee |

| | |
|---|-----------------|
| <p>Hassell H. McClellan, Born: 1945</p> <p><i>Trustee and Chairperson of the Board</i></p> <p>Director/Trustee, Virtus Funds (since 2008); Director, The Barnes Group (since 2010); Associate Professor, The Wallace E. Carroll School of Management, Boston College (retired 2013). Trustee (since 2014) and Chairperson of the Board (since 2017), John Hancock Collateral Trust; Trustee (since 2015) and Chairperson of the Board (since 2017), John Hancock Exchange-Traded Fund Trust; Trustee (since 2012) and Chairperson of the Board (since 2017), John Hancock retail funds³; Trustee (2005-2006 and since 2012) and Chairperson of the Board (since 2017), John Hancock Funds III; Trustee (since 2005) and Chairperson of the Board (since 2017), John Hancock Variable Insurance Trust and John Hancock Funds II.</p> | <p>2012 223</p> |
|---|-----------------|

Charles L. Bardelis,² Born: 1941 2012223

Trustee

Director, Island Commuter Corp. (marine transport). Trustee, John Hancock Collateral Trust (since 2014), Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (since 2012); Trustee, John Hancock Funds III (2005-2006 and since 2012); Trustee, John Hancock Variable Insurance Trust (since 1988); Trustee, John Hancock Funds II (since 2005).

Peter S. Burgess,² Born: 1942 2012223

Trustee

Consultant (financial, accounting, and auditing matters) (since 1999); Certified Public Accountant; Partner, Arthur Andersen (independent public accounting firm) (prior to 1999); Director, Lincoln Educational Services

Corporation (since 2004); Director, Symetra Financial Corporation (2010-2016); Director, PMA Capital Corporation (2004-2010). Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (since 2012); Trustee, John Hancock Funds III (2005-2006 and since 2012); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2005).

William H. Cunningham, Born: 1944 1995223

Trustee

Professor, University of Texas, Austin, Texas (since 1971); former Chancellor, University of Texas System and former President of the University of Texas, Austin, Texas; Chairman (since 2009) and Director (since 2006), Lincoln National Corporation (insurance); Director, Southwest Airlines (since 2000); former Director, LIN Television (2009-2014). Trustee, John Hancock retail funds³ (since 1986); Trustee, John Hancock Variable Insurance Trust (since 2012); Trustee, John Hancock Funds II (2005-2006 and since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).

Grace K. Fey, Born: 1946 2012223

Trustee

Chief Executive Officer, Grace Fey Advisors (since 2007); Director and Executive Vice President, Frontier Capital Management Company (1988-2007); Director, Fiduciary Trust (since 2009). Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (since 2012); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2008).

Independent Trustees (continued)

| Name, year of birth | Trustee Number of John |
|---|----------------------------------|
| Position(s) held with fund | of the Hancock funds |
| Principal occupation(s) and other | Trust overseen by |
| directorships during past 5 years | since¹ Trustee |
| Theron S. Hoffman, ² Born: 1947 | 2012 223 |

Trustee

Chief Executive Officer, T. Hoffman Associates, LLC (consulting firm) (since 2003); Director, The Todd Organization (consulting firm) (2003-2010); President, Westport Resources Management (investment management consulting firm) (2006-2008); Senior Managing Director, Partner, and Operating Head, Putnam Investments (2000-2003); Executive Vice President, The Thomson Corp. (financial and legal information publishing) (1997-2000). Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (since 2012); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2008).

Deborah C. Jackson, Born: 1952 2008223

Trustee

President, Cambridge College, Cambridge, Massachusetts (since 2011); Board of Directors, National Association of Corporate Directors/New England (since 2015); Board of Directors, Association of Independent Colleges and Universities of Massachusetts (since 2014); Chief Executive Officer, American Red Cross of Massachusetts Bay (2002-2011); Board of Directors of Eastern Bank Corporation (since 2001); Board of Directors of Eastern Bank Charitable Foundation (since 2001); Board of Directors of American Student Assistance Corporation (1996-2009); Board of Directors of Boston Stock Exchange (2002-2008); Board of Directors of Harvard Pilgrim Healthcare (health benefits company) (2007-2011). Trustee, John Hancock retail funds³ (since 2008); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); and Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).

James M. Oates, Born: 1946 2012223

Trustee

Managing Director, Wydown Group (financial consulting firm) (since 1994); Chairman and Director, Emerson Investment Management, Inc. (2000-2015); Independent Chairman, Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services company) (1997-2011); Director, Stifel Financial (since 1996); Director, Investor Financial Services Corporation (1995-2007); Director, Connecticut River Bancorp (1998-2014); Director/Trustee, Virtus Funds (since 1988). Trustee (since 2014) and Chairperson of the Board (2014-2016), John Hancock Collateral Trust; Trustee (since 2015) and Chairperson of the Board (2015-2016), John Hancock Exchange-Traded Fund Trust; Trustee (since 2012) and Chairperson of the Board (2012-2016), John Hancock retail funds³; Trustee (2005-2006 and since 2012) and Chairperson of the Board (2012-2016), John Hancock Funds III; Trustee (since 2004) and Chairperson of the Board (2005-2016), John Hancock Variable Insurance Trust; Trustee (since 2005) and Chairperson of the Board, John Hancock Funds II (2005-2016).

Steven R. Pruchansky, Born: 1944 1992223

Trustee and Vice Chairperson of the Board

Chairman and Chief Executive Officer, Greenscapes of Southwest Florida, Inc. (since 2000); Director and President, Greenscapes of Southwest Florida, Inc. (until 2000); Member, Board of Advisors, First American Bank (until 2010); Managing Director, Jon James, LLC (real estate) (since 2000); Partner, Right Funding, LLC (since 2014); Director, First Signature Bank & Trust Company (until 1991); Director, Mast Realty Trust (until 1994); President, Maxwell Building Corp. (until 1991). Trustee (since 1992) and

Chairperson of the Board (2011-2012), John Hancock retail funds³; Trustee and Vice Chairperson of the Board, John Hancock retail funds³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2012); Trustee and Vice Chairperson of the Board, John Hancock Collateral Trust (since 2014); Trustee and Vice Chairperson of the Board, John Hancock Exchange-Traded Fund Trust (since 2015).

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 39

Independent Trustees (continued)

| Name, year of birth | Trustee Number of John | |
|--|-------------------------------|----------------------|
| Position(s) held with fund | of the | Hancock funds |
| Principal occupation(s) and other | Trust | overseen by |
| directorships during past 5 years | since¹ | Trustee |
| Gregory A. Russo , Born: 1949 | 2008 | 223 |

Trustee

Director and Audit Committee Chairman (since 2012), and Member, Audit Committee and Finance Committee (since 2011), NCH Healthcare System, Inc. (holding company for multi-entity healthcare system); Director and Member (since 2012) and Finance Committee Chairman (since 2014), The Moorings, Inc. (nonprofit continuing care community); Vice Chairman, Risk & Regulatory Matters, KPMG LLP (KPMG) (2002-2006); Vice Chairman, Industrial Markets, KPMG (1998-2002); Chairman and Treasurer, Westchester County, New York, Chamber of Commerce (1986-1992); Director, Treasurer, and Chairman of Audit and Finance Committees, Putnam Hospital Center (1989-1995); Director and Chairman of Fundraising Campaign, United Way of Westchester and Putnam Counties, New York (1990-1995). Trustee, John Hancock retail funds³ (since 2008); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded Fund Trust (since 2015).

Non-Independent Trustees⁴

| Name, year of birth | Trustee Number of John | |
|--|-------------------------------|----------------------|
| Position(s) held with fund | of the | Hancock funds |
| Principal occupation(s) and other | Trust | overseen by |
| directorships during past 5 years | since¹ | Trustee |
| Andrew G. Arnott , Born: 1971 | 2017 | 223 |

President and Trustee

Executive Vice President, John Hancock Financial Services (since 2009, including prior positions); Director and Executive Vice President, John Hancock Advisers, LLC (since 2005, including prior positions); Director and Executive Vice President, John Hancock Investment Management Services, LLC (since 2006, including prior positions); President, John Hancock Funds, LLC (since 2004, including prior positions); President, John Hancock retail funds,³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2007, including prior positions); President, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014). Trustee, John Hancock Collateral Trust, John Hancock Exchange-Traded Fund Trust, John Hancock retail funds,³ John Hancock Variable Insurance Trust, and John Hancock Funds II

(since 2017).

James R. Boyle, Born: 1959 2015223

Non-Independent Trustee

Chairman and Chief Executive Officer, Zillion Group, Inc. (formerly HealthFleet, Inc.) (healthcare) (since 2014); Executive Vice President and Chief Executive Officer, U.S. Life Insurance Division of Genworth Financial, Inc. (insurance) (January 2014-July 2014); Senior Executive Vice President, Manulife Financial Corporation, President and Chief Executive Officer, John Hancock (1999-2012); Chairman and Director, John Hancock Advisers, LLC, John Hancock Funds, LLC, and John Hancock Investment Management Services, LLC (2005-2010). Trustee, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2015); Trustee, John Hancock retail funds³ (2005-2010; 2012-2014 and since 2015); Trustee, John Hancock Variable Insurance Trust and John Hancock Funds II (2005-2014 and since 2015).

Warren A. Thomson, Born: 1955 2012223

Non-Independent Trustee

Senior Executive Vice President and Chief Investment Officer, Manulife Financial Corporation and The Manufacturers Life Insurance Company (since 2009); Chairman, Manulife Asset Management (since 2001, including prior positions); Director and Chairman, Manulife Asset Management Limited (since 2006); Director and Chairman, Hancock Natural Resources Group, Inc. (since 2013). Trustee, John Hancock retail funds,³ John Hancock Variable Insurance Trust, and John Hancock Funds II (since 2012); Trustee, John Hancock Collateral Trust (since 2014); Trustee, John Hancock Exchange-Traded

Fund Trust (since 2015).

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 40

Principal officers who are not Trustees

| Name, year of birth Position(s) held with fund Principal occupation(s) during past 5 years | Officer of the Trust since |
|---|---|
|---|---|

| | |
|--|-------------|
| <p>John J. Danello, Born: 1955 <i>Senior Vice President, Secretary, and Chief Legal Officer</i> Vice President and Chief Counsel, John Hancock Wealth Management (since 2005); Senior Vice President (since 2007) and Chief Legal Counsel (2007-2010), John Hancock Funds, LLC and The Berkeley Financial Group, LLC; Senior Vice President (since 2006, including prior positions) and Chief Legal Officer and Secretary (since 2014), John Hancock retail funds,³ John Hancock Funds II and John Hancock Variable Insurance Trust; Senior Vice President, Secretary and Chief Legal Officer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014); Vice President, John Hancock Life & Health Insurance Company (since 2009); Vice President, John Hancock Life Insurance Company (USA) and John Hancock Life Insurance Company of New York (since 2010); and Senior Vice President, Secretary and Chief Legal Counsel (2007-2014, including prior positions) of John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC.</p> | <p>2014</p> |
|--|-------------|

| | |
|---|-------------|
| <p>Francis V. Knox, Jr., Born: 1947 <i>Chief Compliance Officer</i> Vice President, John Hancock Financial Services (since 2005); Chief Compliance Officer, John Hancock retail funds,³ John Hancock Variable Insurance Trust, John Hancock Funds II, John Hancock Advisers, LLC, and John Hancock Investment Management Services, LLC (since 2005); Chief</p> | <p>2005</p> |
|---|-------------|

Compliance Officer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014).

Charles A. Rizzo, Born: 1957 2007

Chief Financial Officer

Vice President, John Hancock Financial Services (since 2008); Senior Vice President, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2008); Chief Financial Officer, John Hancock retail funds,³ John Hancock Variable Insurance Trust and John Hancock Funds II (since 2007); Chief Financial Officer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014).

Salvatore Schiavone, Born: 1965 2010

Treasurer

Assistant Vice President, John Hancock Financial Services (since 2007); Vice President, John Hancock Advisers, LLC and John Hancock Investment Management Services, LLC (since 2007); Treasurer, John Hancock retail funds³ (since 2007, including prior positions); Treasurer, John Hancock Variable Insurance Trust and John Hancock Funds II (2007-2009 and since 2010, including prior positions); Treasurer, John Hancock Collateral Trust and John Hancock Exchange-Traded Fund Trust (since 2014).

The business address for all Trustees and Officers is 601 Congress Street, Boston, Massachusetts 02210-2805.

Mr. Boyle, Mr. Cunningham, Ms. Fey, Mr. McClellan, and Mr. Russo serve as Trustees for a term expiring in 2020; Mr. Bardelis, Mr. Burgess, Mr. Hoffman, and Mr. Thomson serve as Trustees for a term expiring in 2018.

¹ Mr. Arnott, Ms. Jackson, Mr. Oates, and Mr. Pruchansky serve as Trustees for a term expiring in 2019. Mr. Boyle has served as Trustee at various times prior to date listed in the table.

² Member of the Audit Committee.

³ "John Hancock retail funds" comprises John Hancock Funds III and 39 other John Hancock funds consisting of 29 series of other John Hancock trusts and 10 closed-end funds.

⁴ The Trustee is a Non-Independent Trustee due to current or former positions with the Advisor and certain of its affiliates.

More information

Trustees

Hassell H. McClellan, *Chairperson*

Steven R. Pruchansky, *Vice*

Chairperson

Andrew G. Arnott[#]

Charles L. Bardelis*

James R. Boyle

Peter S. Burgess*

William H. Cunningham

Grace K. Fey

Theron S. Hoffman*

Deborah C. Jackson

James M. Oates

Gregory A. Russo

Warren A. Thomson

Investment advisor

John Hancock Advisers, LLC

Subadvisor

John Hancock Asset Management a division of Manulife Asset Management (US) LLC

Custodian

State Street Bank and Trust Company

Transfer agent

Computershare Shareowner Services, LLC

Legal counsel

K&L Gates LLP

Independent registered public accounting firm

PricewaterhouseCoopers LLP

Stock symbol

Listed New York Stock Exchange: PDT

Officers

Andrew G. Arnott

President

John J. Danello

*Senior Vice President, Secretary,
and Chief Legal Officer*

Francis V. Knox, Jr.

Chief Compliance Officer

Charles A. Rizzo

Chief Financial Officer

Salvatore Schiavone

Treasurer

*Member of the Audit Committee

Non-Independent Trustee

[#]Effective 6-20-17

For shareholder assistance refer to page 31

You can also contact us:

Regular mail:

Express mail:

800-852-0218

jhinvestments.com

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P.O. Box 505000
Louisville, KY 40233

Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202

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The fund's proxy voting policies and procedures, as well as the fund's proxy voting record for the most recent twelve-month period ended June 30, are available free of charge on the Securities and Exchange Commission (SEC) website at sec.gov or on our website.

The fund's complete list of portfolio holdings, for the first and third fiscal quarters, is filed with the SEC on Form N-Q. The fund's Form N-Q is available on our website and the SEC's website, sec.gov, and can be reviewed and copied (for a fee) at the SEC's Public Reference Room in Washington, DC. Call 800-SEC-0330 to receive information on the operation of the SEC's Public Reference Room.

We make this information on your fund, as well as **monthly portfolio holdings**, and other fund details available on our website at jhinvestments.com or by calling 800-852-0218.

The report is certified under the Sarbanes-Oxley Act, which requires closed-end funds and other public companies to affirm that, to the best of their knowledge, the information in their financial reports is fairly and accurately stated in all material respects.

ANNUAL REPORT | JOHN HANCOCK PREMIUM DIVIDEND FUND 42

John Hancock family of funds

DOMESTIC EQUITY FUNDS

Balanced
 Blue Chip Growth
 Classic Value
 Disciplined Value
 Disciplined Value Mid Cap
 Equity Income
 Fundamental All Cap Core
 Fundamental Large Cap Core
 Fundamental Large Cap Value
 New Opportunities
 Small Cap Core
 Small Cap Value
 Small Company
 Strategic Growth
 U.S. Global Leaders Growth
 U.S. Growth
 Value Equity

GLOBAL AND INTERNATIONAL EQUITY FUNDS

Disciplined Value International
 Emerging Markets

INCOME FUNDS

Bond
 California Tax-Free Income
 Emerging Markets Debt
 Floating Rate Income
 Global Income
 Government Income
 High Yield
 High Yield Municipal Bond
 Income
 Investment Grade Bond
 Money Market
 Short Duration Credit Opportunities
 Spectrum Income
 Strategic Income Opportunities
 Tax-Free Bond

ALTERNATIVE AND SPECIALTY FUNDS

Absolute Return Currency
 Alternative Asset Allocation
 Enduring Assets
 Financial Industries

Emerging Markets Equity

Global Absolute Return Strategies

Fundamental Global Franchise

Global Conservative Absolute Return

Global Equity

Global Focused Strategies

Global Shareholder Yield

Natural Resources

Greater China Opportunities

Redwood

International Growth

Regional Bank

International Small Company

Seaport

International Value Equity

Technical Opportunities

The fund's investment objectives, risks, charges, and expenses are included in the prospectus and should be considered carefully before investing. For a prospectus, contact your financial professional, call John Hancock Investments at 800-852-0218, or visit the fund's website at jhinvestments.com. Please read the prospectus carefully before investing or sending money.

ASSET ALLOCATION

Income Allocation Fund

Multi-Index Lifetime Portfolios

Multi-Index Preservation Portfolios

Multimanager Lifestyle Portfolios

Multimanager Lifetime Portfolios

EXCHANGE-TRADED FUNDS

John Hancock Multifactor Consumer Discretionary ETF

John Hancock Multifactor Consumer Staples ETF

John Hancock Multifactor Developed International ETF

John Hancock Multifactor Energy ETF

John Hancock Multifactor Financials ETF

John Hancock Multifactor Healthcare ETF

John Hancock Multifactor Industrials ETF

John Hancock Multifactor Large Cap ETF

John Hancock Multifactor Materials ETF

John Hancock Multifactor Mid Cap ETF

John Hancock Multifactor Small Cap ETF

John Hancock Multifactor Technology ETF

John Hancock Multifactor Utilities ETF

John Hancock Multifactor ETF shares are bought and sold at market price (not NAV), and are not individually redeemed from the fund. Brokerage commissions will reduce returns.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FUNDS

ESG All Cap Core

ESG Core Bond

ESG International Equity

ESG Large Cap Core

CLOSED-END FUNDS

Financial Opportunities

Hedged Equity & Income

Income Securities Trust

Investors Trust

Preferred Income

Preferred Income II

Preferred Income III

Premium Dividend

Tax-Advantaged Dividend Income

Tax-Advantaged Global Shareholder Yield

John Hancock ETFs are distributed by Foreside Fund Services, LLC, and are subadvised by Dimensional Fund Advisors LP.

Foreside is not affiliated with John Hancock Funds, LLC or Dimensional Fund Advisors LP.

Dimensional Fund Advisors LP receives compensation from John Hancock in connection with licensing rights to the John Hancock Dimensional indexes. Dimensional Fund Advisors LP does not sponsor, endorse, or sell, and makes no representation as to the advisability of investing in, John Hancock Multifactor ETFs.

John Hancock Investments

A trusted brand

John Hancock Investments is a premier asset manager representing one of America's most trusted brands, with a heritage of financial stewardship dating back to 1862. Helping our shareholders pursue their financial goals is at the core of everything we do. It's why we support the role of professional financial advice and operate with the highest standards of conduct and integrity.

A better way to invest

We serve investors globally through a unique multimanager approach: We search the world to find proven portfolio teams with specialized expertise for every strategy we offer, then we apply robust investment oversight to ensure they continue to meet our uncompromising standards and serve the best interests of our shareholders.

Results for investors

Our unique approach to asset management enables us to provide a diverse set of investments backed by some of the world's best managers, along with strong risk-adjusted returns across asset classes.

John Hancock
Advisers, LLC
601 Congress Street
Boston, MA
02210-2805
800-852-0218 n
jhinvestments.com
MF410674^{P2A 10/17}
12/17

ITEM 2. CODE OF ETHICS.

As of the end of the period, October 31, 2017, the registrant has adopted a code of ethics, as defined in Item 2 of Form N-CSR, that applies to its Chief Executive Officer, Chief Financial Officer and Treasurer (respectively, the principal executive officer, the principal financial officer and the principal accounting officer, the "Senior Financial Officers"). A copy of the code of ethics is filed as an exhibit to this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Peter S. Burgess is the audit committee financial expert and is "independent", pursuant to general instructions on Form N-CSR Item 3.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

(a) Audit Fees

The aggregate fees billed for professional services rendered by the principal accountant(s) for the audit of the registrant's annual

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financial statements or services that are normally provided by the accountant(s) in connection with statutory and regulatory filings or engagements amounted to \$44,699 for the fiscal year ended October 31, 2017 and \$43,526 for the fiscal year ended October 31, 2016. These fees were billed to the registrant and were approved by the registrant's audit committee.

(b) Audit-Related Services

Audit-related fees amounted to \$0 for the fiscal year ended October 31, 2017 and \$0 for the fiscal year ended October 31, 2016 billed to the registrant or to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant ("control affiliates"). The nature of the services comprising the audit-related services was the review of litigation related expenses. In addition, amounts billed to control affiliates for service provider internal controls reviews were \$106,517 and \$103,474 for the fiscal years ended October 31, 2017 and 2016, respectively.

(c) Tax Fees

The aggregate fees billed for professional services rendered by the principal accountant(s) for the tax compliance, tax advice and tax planning ("tax fees") amounted to \$3,725 for the fiscal year ended October 31, 2017 and \$3,647 for the fiscal year ended October 31, 2016. The nature of the services comprising the tax fees was the review of the registrant's tax returns and tax distribution requirements. These fees were billed to the registrant and were approved by the registrant's audit committee.

(d) All Other Fees

The all other fees billed to the registrant for products and services provided by the principal accountant were \$832 for the fiscal year ended October 31, 2017 and \$109 for the fiscal year ended October 31, 2016 billed to control affiliates for products and services provided by the principal accountant. These fees were approved by the registrant's audit committee.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The trust's Audit Committee must pre-approve all audit and non-audit services provided by the independent registered public accounting firm (the "Auditor") relating to the operations or financial reporting of the funds. Prior to the commencement of any audit or non-audit services to a fund, the Audit Committee reviews the services to determine whether they are appropriate and permissible under applicable law.

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The trust's Audit Committee has adopted policies and procedures to, among other purposes, provide a framework for the Committee's consideration of audit-related and non-audit services by the Auditor. The policies and procedures require that any audit-related and non-audit service provided by the Auditor and any non-audit service provided by the Auditor to a fund service provider that relates directly to the operations and financial reporting of a fund are subject to approval by the Audit Committee before such service is provided. Audit-related services provided by the Auditor that are expected to exceed \$25,000 per instance/per fund are subject to specific pre-approval by the Audit Committee. Tax services provided by the Auditor that are expected to exceed \$30,000 per instance/per fund are subject to specific pre-approval by the Audit Committee.

All audit services, as well as the audit-related and non-audit services that are expected to exceed the amounts stated above, must be approved in advance of provision of the service by formal resolution of the Audit Committee. At the regularly scheduled Audit Committee meetings, the Committee reviews a report summarizing the services, including fees, provided by the Auditor.

(e)(2) Services approved pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X:

Audit-Related Fees, Tax Fees and All Other Fees:

There were no amounts that were approved by the Audit Committee pursuant to the de minimis exception under Rule 2-01 of Regulation S-X.

(f) According to the registrant's principal accountant, for the fiscal year ended October 31, 2017, the percentage of hours spent on the audit of the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons who were not full-time, permanent employees of principal accountant was less than 50%.

(g) The aggregate non-audit fees billed by the registrant's accountant(s) for services rendered to the registrant and rendered to the registrant's control affiliates for each of the last two fiscal years of the registrant were \$8,884,223 for the fiscal year ended October 31, 2017 and \$4,590,233 for the fiscal year ended October 31, 2016.

(h) The audit committee of the registrant has considered the non-audit services provided by the registrant's principal accountant(s) to the control affiliates and has determined that the services that were not pre-approved are compatible with maintaining the principal accountant(s)' independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant has a separately-designated standing audit committee comprised of independent trustees. The members of the audit committee are as follows:

Peter S. Burgess - Chairman
Charles L. Bardelis
Theron S. Hoffman

ITEM 6. SCHEDULE OF INVESTMENTS.

(a) Not applicable.
(b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

See attached exhibit - Proxy Voting Policies and Procedures.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

**Information about the portfolio managers
Management Biographies**

Below is a list of the John Hancock Asset Management a division of Manulife Asset Management (US) LLC (“John Hancock Asset management”) portfolio managers who share joint responsibility for the day-to-day investment management of the Fund. It provides a brief summary of their business careers over the past five years. Information is provided as of December 1, 2017.

Joseph Bozoyan, CFA

Managing Director and Portfolio Manager
John Hancock Asset Management since 2015
Began business career in 1993
Managed the Fund since 2015

Bradley Lutz, CFA

Managing Director and Portfolio Manager
John Hancock Asset Management since 2002
Began business career in 1992
Managed the Fund since 2017

Other Accounts the Portfolio Managers are Managing

The table below indicates, for each portfolio manager, information about the accounts over which the portfolio manager has day-to-day investment responsibility. All information on the number of accounts and total assets in the table is as of October 31, 2017. For purposes of the table, “Other Pooled Investment Vehicles” may include investment partnerships and group trusts, and “Other Accounts” may include separate accounts for institutions or individuals, insurance company general or separate accounts, pension funds and other similar institutional accounts.

| | Registered Investment Companies | | Other Pooled Investment Vehicles | | Other Accounts | |
|-----------------------|---------------------------------|------------------------|----------------------------------|------------------------|--------------------|------------------------|
| | Number of Accounts | Total Assets \$Million | Number of Accounts | Total Assets \$Million | Number of Accounts | Total Assets \$Million |
| Joseph Bozoyan | 4 | \$3.82 | 0 | \$0 | 0 | \$0 |
| Bradley Lutz | 4 | \$3.82 | 0 | \$0 | 0 | \$0 |

Number and value of accounts within the total accounts that are subject to a performance-based advisory fee: None

Conflicts of Interest. When a portfolio manager is responsible for the management of more than one account, the potential arises for the portfolio manager to favor one account over another. The principal types of potential conflicts of interest that may arise are discussed below. For the reasons outlined below, the Fund does not believe that any material conflicts are likely to arise out of a portfolio manager's responsibility for the management of the Fund as well as one or more other accounts. The Advisor and Subadvisor have adopted procedures that are intended to monitor compliance with the policies referred to in the following paragraphs. Generally, the risks of such conflicts of interests are increased to the extent that a portfolio manager has a financial incentive to favor one account over another. The Advisor and Subadvisor have structured their compensation arrangements in a manner that is intended to limit such potential for conflicts of interests. See "Compensation of Portfolio Managers" below.

A portfolio manager could favor one account over another in allocating new investment opportunities that have limited supply, such as initial public offerings and private placements. If, for example, an initial public offering that was expected to appreciate in value significantly shortly after the offering was allocated to a single account, that account may be expected to have better investment performance than other accounts that did not receive an allocation on the initial public offering. The Subadvisor has policies that require a portfolio manager to allocate such investment opportunities in an equitable manner and generally to allocate such investments proportionately among all accounts with similar investment objectives.

A portfolio manager could favor one account over another in the order in which trades for the accounts are placed. If a portfolio manager determines to purchase a security for more than one account in an aggregate amount that may influence the market price of the security, accounts that purchased or sold the security first may receive a more favorable price than accounts that made subsequent transactions. The less liquid the market for the security or the greater the percentage that the proposed aggregate purchases or sales represent of average daily trading volume, the greater the potential for accounts that make subsequent purchases or sales to receive a less favorable price. When a portfolio manager intends to trade the same security for more than one account, the policies of the Subadvisor generally require that such trades be "bunched," which means that the trades for the individual accounts are aggregated and each account receives the same price. There are some types of accounts as to which bunching may not be possible for contractual reasons (such as directed brokerage arrangements). Circumstances may also arise where the trader believes that bunching the orders may not result in the best possible price. Where those accounts or circumstances are involved, the Subadvisor will place the order in a manner intended to result in as favorable a price as possible for such client.

A portfolio manager could favor an account if the portfolio manager's compensation is tied to the performance of that account rather than all accounts managed by the portfolio manager. If, for example, the portfolio manager receives a bonus based upon the performance of certain accounts relative to a benchmark while other accounts are disregarded for this purpose, the portfolio manager will have a financial incentive to seek to have the accounts that determine the portfolio manager's bonus achieve the best possible performance to the possible detriment of other accounts. Similarly, if the Subadvisor receives a performance-based advisory fee, the portfolio manager may favor that account, whether or not the performance of that account directly determines the portfolio manager's compensation. The investment performance on specific accounts is not a factor in determining the portfolio manager's compensation. See "Compensation of Portfolio Managers" below. Neither the Advisor nor the Subadvisor receives a performance-based fee with respect to any of the accounts managed by the portfolio managers.

A portfolio manager could favor an account if the portfolio manager has a beneficial interest in the account, in order to benefit a large client or to compensate a client that had poor returns. For example, if the portfolio manager held an interest in an investment partnership that was one of the accounts managed by the portfolio manager, the portfolio manager would have an economic incentive to favor the account in which the portfolio manager held an interest. The Subadvisor imposes certain trading restrictions and reporting requirements for accounts in which a portfolio manager or certain family members have a personal interest in order to confirm that such accounts are not favored over other accounts.

If the different accounts have materially and potentially conflicting investment objectives or strategies, a conflict of interest may arise. For example, if a portfolio manager purchases a security for one account and sells the same security short for another account, such trading pattern could disadvantage either the account that is long or short. In making portfolio manager assignments, the Subadvisor seeks to avoid such potentially conflicting situations. However, where a portfolio manager is responsible for accounts with differing investment objectives and policies, it is possible that the portfolio manager will conclude that it is in the best interest of one account to sell a portfolio security while another account continues to hold or increase the holding in such security.

Compensation of Portfolio Managers. The Subadvisor has adopted a system of compensation for portfolio managers and others involved in the investment process that is applied systematically among investment professionals. At the Subadvisor, the structure of compensation of investment professionals is currently composed of the following basic components: base salary and an annual investment bonus plan as well as customary benefits that are offered generally to all full-time employees of the Subadvisor. A limited number of senior investment professionals, who serve as officers of both the Subadvisor and its parent company, may also receive options or restricted stock grants of common shares of Manulife Financial. The following describes each component of the compensation package for the individuals identified as a portfolio manager for the Funds.

Base salary. Base compensation is fixed and normally reevaluated on an annual basis. The Subadvisor seeks to set compensation at market rates, taking into account the experience and responsibilities of the investment professional.

Investment Bonus Plan. Only investment professionals are eligible to participate in the Investment Bonus Plan. Under the plan, investment professionals are eligible for an annual bonus. The plan is intended to provide a competitive level of annual bonus compensation that is tied to the investment professional achieving superior investment performance and aligns the financial incentives of the Subadvisor and the investment professional. Any bonus under the plan is completely discretionary, with a maximum annual bonus that may be well in excess of base salary. Payout of a portion of this bonus may be deferred for up to five years. While the amount of any bonus is discretionary, the following factors are generally used in determining bonuses under the plan:

Investment Performance: The investment performance of all accounts managed by the investment professional over one- and three-year periods are considered, and no specific benchmark is used to measure performance. With respect to fixed income accounts, relative yields are also used to measure performance.

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The Profitability of the Subadvisor: The profitability of the Subadvisor and its parent company are also considered in determining bonus awards.

Non-Investment Performance: To a lesser extent, intangible contributions, including the investment professional's support of client service and sales activities, new fund/strategy idea generation, professional growth and development, and management, where applicable, are also evaluated when determining bonus awards.

Options and Stock Grants. A limited number of senior investment professionals may receive options to purchase shares of Manulife Financial stock. Generally, such option would permit the investment professional to purchase a set amount of stock at the market price on the date of grant. The option can be exercised for a set period (normally a number of years or until termination of employment) and the investment professional would exercise the option if the market value of Manulife Financial stock increases. Some investment professionals may receive restricted stock grants, where the investment professional is entitled to receive the stock at no or nominal cost, provided that the stock is forgone if the investment professional's employment is terminated prior to a vesting date.

The Subadvisor also permits investment professionals to participate on a voluntary basis in a deferred compensation plan, under which the investment professional may elect on an annual basis to defer receipt of a portion of their compensation until retirement. Participation in the plan is voluntary.

Share Ownership by Portfolio Managers. The following table indicates as of October 31, 2017 the value of shares beneficially owned by the portfolio managers in the Fund.

| Portfolio Manager | Range of Beneficial Ownership in the Fund |
|--------------------------|--|
| Joseph Bozoyan | None |
| Bradley Lutz | None |

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ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

- (a) Not applicable.
(b)

REGISTRANT PURCHASES OF EQUITY SECURITIES

| Period | Total number of shares purchased | Average price per share | Total number of shares purchased as part of publicly announced plans* | Maximum number of shares that may yet be purchased under the plans* |
|---------------|---|--------------------------------|--|--|
| Nov-16 | - | - | - | 4,731,532 |
| Dec-16 | - | - | - | 4,731,532 |
| Jan-17 | - | - | - | 4,828,181 |
| Feb-17 | - | - | - | 4,828,181 |
| Mar-17 | - | - | - | 4,828,181 |
| Apr-17 | - | - | - | 4,828,181 |
| May-17 | - | - | - | 4,828,181 |
| Jun-17 | - | - | - | 4,828,181 |
| Jul-17 | - | - | - | 4,828,181 |
| Aug-17 | - | - | - | 4,828,181 |
| Sep-17 | - | - | - | 4,828,181 |
| Oct-17 | - | - | - | 4,828,181 |
| Total | - | - | - | 4,828,181 |

* On December 17, 2014, the Board of Trustees approved a share repurchase program, which is subsequently reviewed and approved by the Board of Trustees each year in December. Under the share repurchase program, the Fund may purchase in the open market, up to 10% of its outstanding common shares as of December 31, 2016. The current share purchase plan will remain in effect between January 1, 2017 to December 31, 2017. Previously, under the share repurchase plan, the Fund could purchase in the open market up to 10% of its outstanding common shares as of December 31, 2015 between January 1, 2016 and December 31, 2016.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

- (a) The registrant has adopted procedures by which shareholders may recommend nominees to the registrant's Board of Trustees. A copy of the procedures is filed as an exhibit to this Form N-CSR. See attached "John Hancock Funds – Nominating and Governance Committee Charter".

ITEM 11. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this Form N-CSR, the registrant's principal executive officer and principal financial officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

- (b) There were no changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. DISCLOSURE OF SECURITIES LENDING ACTIVITIES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The Fund did not participate directly in securities lending activities. See Note 8 to financial statements in Item 1.

ITEM 13. EXHIBITS.

- (a)(1) Code of Ethics for Senior Financial Officers is attached.

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(a)(2) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached.

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(b)(1) Separate certifications for the registrant's principal executive officer and principal financial officer, as required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and Rule 30a-2(b) under the Investment Company Act of 1940, are attached. The certifications furnished pursuant to this paragraph are not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certifications are not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Registrant specifically incorporates them by reference.

(c)(1) Proxy Voting Policies and Procedures are attached.

(c)(2) Submission of Matters to a Vote of Security Holders is attached. See attached "John Hancock Funds - Nominating and Governance Committee Charter".

(c)(3) Registrant's notice to shareholders pursuant to Registrant's exemptive order granting an exemption from Section 19(b) of the Investment Company Act of 1940, as amended and Rule 19b-1 thereunder regarding distributions made pursuant to the Registrant's Managed Distribution Plan.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

John Hancock Premium Dividend Fund

By: /s/ Andrew Arnott
Andrew Arnott
President

Date: December 19, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Andrew Arnott
Andrew Arnott
President

Date: December 19, 2017

By: /s/ Charles A. Rizzo
Charles A. Rizzo
Chief Financial Officer

Date: December 19, 2017
